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# ***Daily Report***

## **East Asia**

FBIS-EAS-93-245  
Thursday  
23 December 1993

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FBIS-EAS-93-245

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23 December 1993

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## Japan

### Hosokawa Apology Aids Forging New Seoul Ties

OW2112110993 Tokyo KYODO in English 1030 GMT  
21 Dec 93

[Text] Tokyo, Dec. 21 KYODO—The leader of a South Korean private group told Japan's Prime Minister Morihiro Hosokawa on Tuesday [21 December] that the premier's apology for Japan's colonial rule of the Korean peninsula helped forge future-oriented relations between Tokyo and Seoul.

Kim Su-han, chairman of the (South) Korea-Japan Friendship Association, told the prime minister his "candid" remark over the sufferings Japan inflicted upon Korea during its 1910-1945 colonial rule has been rated highly in South Korea, a Foreign Ministry official said. Hosokawa offered the apology and expressed remorse in a summit meeting with South Korean President Kim Yong-sam in November.

During the 15-minute talk at Hosokawa's official residence, Kim Su-han said the Japanese prime minister has greatly contributed to building what the South Korean president terms "future-oriented" ties between Japan and South Korea.

The South Korean people are becoming increasingly aware of the need for closer Tokyo-Seoul cooperation through the contacts between the Japanese and South Korean leaders, the friendship group's chief said.

Hosokawa told Kim that he and the South Korean president were on the same wavelength when they first met.

Kim spoke of the need for further promotion of cultural and personnel exchanges between Japan and South Korea, the official said.

### Hosokawa Congratulates Peru on Constitution

OW2112105893 Tokyo KYODO in English 0916 GMT  
21 Dec 93

[Text] Tokyo, Dec. 21 KYODO—Japan on Tuesday [21 December] congratulated Peru on its approval of a new Constitution to replace the one President Alberto Fujimori suspended when he declared emergency rule in April 1992.

Prime Minister Morihiro Hosokawa sent a letter of congratulations to Fujimori, saying the new Constitution has "established the basis for democratic development into the future," Foreign Ministry Spokesman Terusuke Terada said.

Japan "highly values the fact that President Fujimori sincerely carried out the process for restoring democracy" since suspending the previous constitution and that the national referendum on October 31 was carried out freely and fairly, Terada said.

The national referendum "could be called the culmination" of the democratization process, he said.

The Japanese Government intends to continue extending as much cooperation and assistance as possible for Peru's efforts for economic development, which is the key to national reconstruction, he said.

Fujimori suspended the previous constitution when he dissolved congress, saying his action was necessary to defeat a guerrilla insurgency and gain control of the economy.

The new Constitution gives the president the right to run for re-election, paving the way for Fujimori to run for a second term in 1995, and also provides for the death penalty for terrorists.

Japan sent a Foreign Ministry official to join the 32-member election monitoring mission of the Organization of American States at the request of the Peruvian Government.

### Poll Shows Cabinet's Popularity at 65.9 Percent

OW2312031293 Tokyo KYODO in English 0230 GMT  
23 Dec 93

[Text] Tokyo, Dec. 23 KYODO—Support for the cabinet of Prime Minister Morihiro Hosokawa has fallen 7.6 percentage points in the past month to 65.9 percent, the first such fall since its inauguration in autumn, a national daily said Thursday.

The YOMIURI SHIMBUN conducted the poll on December 18 and 19, immediately after the government announced a decision to partially open the rice market. It said that the disapproval rating for the cabinet has risen 8 percent from last month to 22.9 percent.

The change appears to reflect the reaction among the farming community to the decision to lift Japan's decades-old ban on rice imports and public dissatisfaction at the government's countermeasures against the lingering recession, it said.

The paper said support for the cabinet in cities remains high while the continued historic high overall support for it indicates people's expectations that it will pursue political reform.

The Hosokawa cabinet's popularity peaked in November at 73.5 percent, a record high for any postwar cabinet, the YOMIURI said. Despite the drop in December, its support rating is still higher than the previous record high of 52.5 percent set by the cabinet of Prime Minister Toshiki Kaifu in August 1990.

Among supporters of the cabinet, 46.2 percent said it is better than previous cabinets, 25.5 percent said they support the cabinet's policies, and 13 percent said they trust Hosokawa.



Policies which received most support included political reform and political ethics, foreign policy and international economic policies, and those on agriculture and international contributions.

Among those who said they do not support the cabinet, those in the farming and fishing industries showed the biggest drop, from the previous's month's 63.7 percent to 45.9 percent.

### **Thirteen Lawyers File Complaint Against Ozawa**

*OW2112094793 Tokyo KYODO in English 0844 GMT 21 Dec 93*

[Text] Morioka, Dec. 21 KYODO—Thirteen lawyers filed a complaint with the Supreme Public Prosecutors office on Tuesday [21 December] against Shinseito co-leader Ichiro Ozawa, charging he took an illegal donation of 1 million yen from a construction firm. Two employees of the Tohoku Branch of Nittoc Construction Co. were named in the complaint as giving the money to Ozawa to help him win the July 18 general election despite the firm's involvement in a contract with the state.

The public election law bars companies holding state contracts from donating election funds to candidates running for the House of Representatives or the House of Councillors. The letter of accusation, filed by the lawyers registered in six prefectures, said the general contractor donated the 1 million yen to Ozawa on July 2 shortly before the campaign for the lower house election officially began.

The construction firm undertook a geological survey on a dam under a contract with the Construction Ministry's regional Construction Bureau from June through November this year. The dam is located in Iwate Prefecture in northern Japan.

Ozawa, one of the most influential politicians in the seven-party ruling coalition, was returned to the lower house from his constituency in Iwate Prefecture in the general election.

The office of Ozawa initially listed the donation from the construction firm on the balance sheet of its election fund, but it deleted the listing on December 15, saying the donation was made to his political organization.

Nittoc Construction, with a work force of about 1,300, is Japan's largest construction firm specializing in dam foundation work. Its sales and current profits totaled some 104.7 billion yen and 4.5 billion yen, respectively, in 1992.

Beside the donation from Nittoc Construction, Ozawa told reporters in early October that he accepted 5 million yen from scandal-plagued Kajima Corp., saying it was a legal donation.

### **Hazama 'Gave' Shinseito's Ozawa 10 Million Yen**

*OW2312031593 Tokyo KYODO in English 0238 GMT 23 Dec 93*

[Text] Tokyo, Dec. 23 KYODO—Scandal-ridden construction firm Hazama Corp. gave 10 million yen in 1991 to the camp of the ruling coalition's chief political strategist Ichiro Ozawa, the mass circulation daily ASAHI SHIMBUN reported Thursday. Ozawa's office has denied receiving the money, the ASAHI said.

It is not known whether sending the money, if it was done, violates the law.

Akira Kagami, 64, former president of Hazama, has told aides that he delivered 10 million yen to Ozawa's camp around December 1992 in connection with a dam project in Ozawa's home prefecture of Iwate in northeastern Japan, the newspaper said.

The ASAHI said there is a record at Hazama's Sendai-based Tohoku branch office showing the expenditure of 10 million yen in mid-December 1991 provided as a "reward" by the company winning a contract to build the Hyuga Dam.

Kagami, 64, visited Ozawa's office on the very day the money was spent, it said. Kagami is among five officials of four construction companies who are on trial in a 100 million yen bribery case involving former Sendai Mayor Toru Ishii, 67.

Ozawa, 51, is regarded the de facto head of Shinseito (Japan Renewal Party), the No. 2 group in Prime Minister Morihiro Hosokawa's seven-party coalition.

### **Corporate Profits Fall in Latest Quarter**

*OW2212072593 Tokyo KYODO in English 0637 GMT 22 Dec 93*

[Text] Tokyo, Dec. 22 KYODO—Japan's corporate pretax profits for the July-September quarter dropped 21.6 percent from the year-earlier period, the Finance Ministry said Wednesday. The pretax profits for manufacturing companies plunged 27.7 percent, while those for nonmanufacturing firms slid 17.3 percent, the ministry said.

Capital investments during the period shrank 15.8 percent, with those by manufacturing companies slipping 21.1 percent.

### **BOJ Says Savings Growth Slows for 7th Quarter**

*OW2212100393 Tokyo KYODO in English 0928 GMT 22 Dec 93*

[Text] Tokyo, Dec. 22 KYODO—Savings growth by Japanese individuals slowed from year-earlier levels for the seventh straight quarter in the three months through September, the Bank of Japan said Wednesday [22 December].



The outstanding balance of personal savings in banks, postal accounts, trusts, public bonds, investment trusts and insurance was 856.5 trillion yen at the end of September, up 4.7 percent from a year before, the bank said in a preliminary report. That was 0.1 percentage point less than the year-to-year growth logged in the quarter which ended in June and the seventh straight year-to-year decline in the amount of savings increase rate, a central bank official said.

The balance grew by 8.20 trillion yen in the three months through September, down 1.9 percent from the year-earlier expansion, the report said.

The balance of bank deposits fell 1.08 trillion yen for the three months to 210.9 trillion yen but remained 3.2 percent higher than a year before.

The official, briefing reporters on the report, said bank balances usually fall in the July-September quarter as the preceding three months cover the summer bonus period, but that this year's decline was less than the 1.80 trillion yen decline of a year earlier.

Postal deposits rose 2.01 trillion yen to 175.7 trillion yen, up 8.3 percent from the end of September 1992.

**Oct Leading Index Indicates 'Shrinking' Economy**  
*OW2112094293 Tokyo KYODO in English 0808 GMT  
21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—Japan's closely watched leading economic index lingered below the boom-or-bust line of 50 percent in October for the second straight month, the Economic Planning Agency (EPA) reported Tuesday [21 December].

The agency said in a monthly report that the index dropped to 30.0 percent from a revised 33.3 percent for September. Any reading above 50 percent is considered an indicator of economic expansion and below that mark a pointer to a shrinking economy.

The leading index, based on indicators covering such fields as labor, capital spending, and housing starts, foreshadows economic trends several months ahead. It climbed to the 50 percent mark in August after staying below the crucial line for three consecutive months.

An agency official said the further drop in the leading index reflects sluggish progress in reducing inventories and slower capital spending, as shown in a monthly machinery orders report.

The EPA also said the coincident index, indicating the current economic state, sank below 50 percent for the first time in three months to 20.0 percent. The index was 65.0 percent in September, 60.0 percent in August, and 0.0 percent in July.

The lagging index, which shows economic conditions six months to one year before, stood at 14.3 percent, following 64.3 percent in September and 28.6 percent in August, the agency said.

**EPA Report Predicts 'Dim Picture' for Recovery**  
*OW2112113493 Tokyo KYODO in English 0925 GMT  
21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—The Economic Planning Agency (EPA) painted a dim picture of prospects for an economic recovery and failed to say when it expects the economy to pick up, in its report Tuesday [21 December] on the state of the national economy in 1993. In the report, the EPA pointed to the severity of the erosion of the domestic labor market and warned the economy could get worse if the government fails to keep the labor market from deteriorating further.

The report, subtitled "The Japanese Economy in Search of a Clue to Recovery," came against the backdrop of a growing number of Japanese corporations cutting jobs to save labor costs as a way to weather the economic slump.

Manufacturers and nonmanufacturers alike have experienced an excess of manpower as the economic slump drags on, the report said. It recommended putting a freeze on wage growth and reducing payrolls as possible measures to cope with the excess labor capacity, but urged both steps to be taken in a "balanced manner" because they could adversely affect the economy.

The EPA pointed out that the yen's sharp appreciation and the cool and wet summer dealt a blow to the economy already shaken by weak business investment and slack personal spending in the wake of the bursting of the bubble economy in the late 1980s.

The report rejected an argument by some economists and businesspeople that reluctance by banks to lend money is a main source of the business slowdown, saying that sluggish demand now and excessive investment in the past are to blame for the deterioration in corporate investment.

Japanese banks, saddled with mounting bad loans, have been lending mainly to selected clients recently, according to industry sources. The report said banks should be active in writing off bad loans to keep themselves sound because poor balance sheets at banks could become a drag on the economy when corporate demand for cash recovers.

**BOJ Report Sees Increased Production Cutbacks**  
*OW2112142693 Tokyo KYODO in English 1228 GMT  
21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—Stronger signs of production cutbacks were seen in Japan, though not serious enough to change the overall assessment of the economy, the Bank of Japan (BOJ) said Tuesday [21 December] in a monthly report. The overall judgment remained



unchanged from the previous report, which says, "the Japanese economy remains stagnant with no signs of a recovery."

Sluggish final demand has led to sharply reduced industrial production in October and is expected to keep it stagnant through this year, the report said. The monthly report reflects the central bank's assessment of latest available macroeconomic indicators.

Considering final demand, the report pointed to still-lackluster personal spending and corporate capital spending—the two key engines of private demand, and also to delayed contracts for public works that have been underpinning the economy.

Personal consumption is broadly sluggish with new automobile sales and department store sales posting continued drops from year-earlier levels, the report said.

Capital investment is unlikely to stop falling as companies maintain their stance of trimming outlays because of poor earnings, it said.

Public spending remained high overall, but some delays were seen in contracting stemming from bribery scandals involving major general contractors, the report said.

### **Hosokawa Proposes Committee To Debate Tax Cut**

*OW2112044793 Tokyo KYODO in English 0354 GMT 21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—Prime Minister Morihiro Hosokawa on Tuesday [21 December] proposed the creation of a new committee for the government and the ruling coalition parties to debate a tax reduction and other economic issues. Hosokawa told key cabinet members including Foreign Minister Tsutomu Hata, Finance Minister Hirohisa Fujii and International Trade and Industry Minister Hiroshi Kumagai to work to realize the idea.

In talks with the ministers after a regular morning meeting of full cabinet, he said the government will have to seriously review all budgetary expenses and revenues in compiling the budget for the next fiscal year.

Government sources said the committee will focus on how to finance the proposed tax reduction, an issue over which the coalition parties are divided.

The Social Democratic Party, the largest group in the coalition, is set against the idea of financing a tax cut by raising the rate of the consumption tax, currently 3 percent. Its stand is supported by Shinseito and Komeito.

Hosokawa stressed that the government will have "thorough consultations with the ruling coalition" over the issue.

Chief Cabinet Secretary Masayoshi Takemura also singled out the tax cut issue as the most challenging task

confronting the committee. "The tax cut issue is the most difficult one," he told a press conference after the cabinet meeting.

Takemura also said that the forum should be established as soon as possible. The government sources said the committee may be set up as early as within the week.

He also said the members of the committee are yet to be named, but it will be similar in character to the Liberal Democratic Party's tax commission, in which not only top party officials but more junior politicians participate.

### **Finance Minister Views New Economic Panel**

*OW2212134593 Tokyo KYODO in English 1308 GMT 22 Dec 93*

[Text] Tokyo, Dec. 22 KYODO—A newly established government consultation body is designed to coordinate views on economic problems between the government and the seven coalition parties, Finance Minister Hirohisa Fujii said Wednesday [22 December]. The remark came after reports that the government and the coalition parties are in disarray over handling of economic issues.

The panel focuses more on budget compilation and other fiscal-related issues for the next year than on steps to buoy up the ailing economy, Fujii told a press conference. He confirmed the fiscal issues will include tax reforms, including ways to promote land transactions, now virtually frozen due to price plunges after the burst of the "bubble" economy.

Fujii emerged out of the first meeting of the new forum, which he said was established for a thorough review of Japan's fiscal issues in the face of a huge tax revenue shortfall. Now that it has been decided that the national budget for fiscal 1994 will not be formulated within December, the government should effectively use the ample time left for discussion before the budget compilation, Fujii said.

Fujii was accompanied to Wednesday's meeting by budget and tax-related bureau chiefs of the Finance Ministry. The meeting was mostly devoted to explanations by the officials of the current budgetary conditions in Japan, Fujii said.

Chaired by Foreign Minister and Deputy Prime Minister Tsutomu Hata, the consultation group will come up with some conclusion in mid-January, Fujii said.

At a separate press conference after the meeting, Manae Kubota, director general of the Economic Planning Agency, gave support to the idea of issuing deficit-financing bonds to finance an income tax cut. "It seems that there is nothing other than deficit-financing bonds because there is no other source of revenue," Kubota said.

Kubota went on to say that any tax increase should not be carried out simultaneously with the issuance of such



bonds in light of the negative effects of a tax hike on personal spending. "A tax increase could be done only when the economy is in a recovery stage," she said.

### **Economic Forum Starts With Debate on Budget**

*OW2212135493 Tokyo KYODO in English 1301 GMT  
22 Dec 93*

[Text] Tokyo, Dec. 22 KYODO—A newly created committee on Wednesday [22 December] kicked off its debate on the formulation of the fiscal 1994 national budget.

The new committee, comprising both cabinet ministers in charge of economic affairs and representatives of the ruling coalition, was created on the basis of instructions by Prime Minister Morihiro Hosokawa and an accord among the coalition partners.

At the first meeting, held at the premier's official residence, Foreign Minister Tsutomu Hata, who chairs the committee, said next year's budget cannot be drafted until it is clear how to cover proposed income tax cuts, Deputy Chief Cabinet Secretary Yukio Hatoyama said.

Hata, who doubles as deputy prime minister, also spoke of the need to reach a consensus on the matter among coalition parties, Hatoyama told a news conference.

The forum reportedly listened to explanations on the budgetary situation from government officials as a first step toward resolving differences among the coalition over how to offset the proposed income tax cuts.

The Social Democratic Party [of Japan] (SDP) [SDPJ], the largest force within the coalition, is opposed to the idea of financing the tax reduction by raising the consumption tax, which currently stands at 3 percent, while Shinseito (Japan Renewal Party) and Komeito favor the proposal.

Hata was quoted as telling the meeting that the committee should draw up a proposal on tax cuts and the drafting of the national budget for fiscal 1994, starting next April 1, by mid-January.

The forum will hold its next meeting on Friday to further discuss the matter.

The cabinet ministers to attend the meeting are Chief Cabinet Secretary Masayoshi Takemura, Finance Minister Hirohisa Fujii, International Trade and Industry Minister Hiroshi Kumagai, Home Affairs Minister Kanju Sato and Economic Planning Agency Chief Manae Kubota.

The coalition chiefs are Kozo Watanabe of Shinseito, SDPJ Secretary General Wataru Kubo, Komeito Secretary General Yuichi Ichikawa, Takashi Yonezawa, secretary general of the Democratic Socialist Party, and Hiroyuki Sonoda of Sakigake (Harbinger).

### **Murayama, Mori on Rice, Tax, Reform Issues**

*OW2312063893*

[Editorial report] Tokyo FNN Television Network in Japanese at 2230 GMT on 18 December 93, as part of its regular "News 2001" program, carries a live 80-minute panel discussion. Present at the panel discussion are Tomiichi Murayama, chairman of the Social Democratic Party of Japan [SDPJ]; Shigeru Ishihara, a member of the House of Representatives; and Yoshiro Mori, secretary general of the opposition Liberal Democratic Party [LDP]. The panel discussion is moderated by newscasters Yuji Kuroiwa and Kaori Matsuyama, and commentator Kenichi Takemura and Yoshiaki Kobayashi, professor at Keio University.

At the outset of the panel discussion, Kuroiwa says the SDPJ had no choice but to approve opening the rice market despite its policy of opposing rice import liberalization based on its position of keeping the coalition government intact and then asks Murayama how he felt when his party decided to approve opening the rice market. In response, Murayama says: "The SDPJ has for a long time been grappling with the issue of opening the Japanese rice market and, unlike other farm products, rice is a culture of the people's lives. The SDPJ had been divided over the rice issue and I had taken the position of opposing the GATT compromise proposal calling for a partial opening of the Japanese rice market. The SDPJ has joined the coalition government and the coalition government is now faced with political reform and economic issues in addition to the rice issue. We had no choice but to approve of opening the rice market from the standpoint of keeping the coalition government intact." Murayama also adds that "the SDPJ's break-away from the coalition government constitutes a betrayal of the people's wishes."

Next, Kuroiwa asks Murayama to comment on the performance of the Hosokawa government. In response, Murayama says: "Just four months have passed since the Hosokawa government was inaugurated. I believe the Hosokawa government is now working hard. The seven coalition partners that support the Hosokawa government lack experience in running a government. I believe the seven coalition partners have no choice but to make efforts to support the Hosokawa government while learning and accumulating experience. They will face a crucial test in the near future."

After showing video on Murayama's private life, Kuroiwa asks Murayama why the SDPJ intends to stay in the coalition government despite policy contradictions with the rest of the coalition partners. In response, Murayama says: "The coalition partners, whose policies are utterly different from each other, have formed the coalition government in a search for areas of policy consensus. For this reason, policies pursued by the SDPJ cannot be 100 percent accepted by the coalition government. The SDPJ, therefore, has been making efforts to reflect what it asserts in the coalition government's policies as much as possible."



Asked by Takemura what sort of SDPJ policies have been adopted by the coalition government, Murayama says: "The SDPJ is in the most difficult position in the coalition government. To cite an example, as for amending the Self-Defense Forces Law, the SDPJ was stubbornly opposed to the amendment when it was an opposition party. I believe that now that the SDPJ is a partner of the coalition government, it is necessary for the SDPJ to reform itself." Murayama also adds that the SDPJ should work hard to get the coalition government to adopt its policies as many as possible.

Saying that only 15.4 percent of the voters think that the SDPJ has succeeded in getting the coalition government to accept what the SDPJ has asserted, Kobayashi asks about the compilation of the fiscal-1994 budget. In response, Murayama says: "Our party has demanded that the budget for fiscal year 1994 be compiled within this year, but the compilation of the budget is a matter to be decided by the prime minister. Our party's position is that since the prime minister has decided not to compile the budget within this year, this course is inevitable. The prime minister has decided not to compile the budget within this year based on recommendations from the Finance Ministry and the Government Tax System Research Council." Discussing the income tax cut, Murayama says: "Cutting the income tax is the only remaining way to stimulate Japan's stagnant economy. I have advocated that the prime minister should make a political decision on deep cuts in the income tax. As for how to make up for a fiscal revenue shortfall arising from the income tax reduction, our party's view is that the consumption tax should not be raised to secure financial resources to make up for the fiscal revenue shortfall. The government should even consider issuing deficit-covering bonds while watching economic trends."

The panelists continue to discuss the issue of cutting the income tax. Stressing the need to review the ratio of direct and indirect taxes in total tax revenues, Murayama says: "if a situation is created wherein the people fully understand the need to raise the consumption tax, then the tax can be raised." Murayama also says that the ruling Democratic Socialist Party and the ruling Komeito are against raising the consumption tax, pointing to the existence of deep-seated opposition in the coalition government to raising the consumption tax.

Asked by Kuroiwa if the SDPJ will break way from the coalition government when the coalition government decides to raise the consumption tax over the SDPJ's opposition, Murayama says: "The coalition partners have agreed not to raise the consumption tax when the coalition government compiles the budget for fiscal year 1994. The coalition government cannot raise the tax. Raising the consumption tax is impossible."

Kuroiwa changes the subject to political reform and asks Murayama if the coalition partners will railroad a package of political reform bills in the Diet even if the LDP rejects their passage. In response, Murayama says: "The current Diet session has been extended because of

a delay in the deliberations of the bills in the upper house. All political parties publicly promised to push for the political reform during elections, and they have considered adopting the combined electoral system of single-seat constituency and proportional representation. I believe that there is no objective reason for the LDP to reject the passage of the bills in the Diet. The LDP should join the deliberations of the bills in the upper house and cooperate with the coalition partners in passing the bills. Ruling and opposition parties should work together on measures to stimulate the stagnant economy. I hope the LDP will take such a cooperative attitude." Ruling out the possibility of the ruling coalition parties unilaterally deliberating the bills, Murayama points out that reforming the electoral system is related to all political parties and the ruling parties will ask the LDP to join them in deliberating the bills in the Diet.

Discussing the reform of the electoral system, Kobayashi points out that some upper house members affiliated with the SDPJ are moving against political reform and asks Murayama how he is going to persuade them. In response, Murayama says: "The SDPJ had opposed the combined electoral system for a long time, but it changed its position of opposing the system after it joined the coalition government in a bid to cooperate with the rest of the coalition partners." Murayama stresses that they would follow the party's decision in the end.

Asked by Kuroiwa about the possibility of dissolving the lower house if the political reform bills are not passed in the Diet, Murayama says: "I do not know for sure how the bills will be dealt with in the future, but as you have just said, I believe that the dissolution of the lower house should be avoided if possible at this time when Japan's economy remains in a downturn. Both ruling and opposition parties have the responsibility to create prospects for economic recovery and to create a situation wherein the people feel free of concerns about the economy." Murayama adds "I believe this is not the time to dissolve the lower house."

Discussing prospects for a realignment of political parties, Murayama says: "To reflect the people's will in politics, as the prime minister once said, it is inevitable to maintain a loose multiparty coalition government for the time being."

At 2315 GMT, Kuroiwa asks Mori to comment on the Hosokawa government. In response, Mori says: "In a way, we hope that the Hosokawa government will be more sensitive to the times and take initiatives." Discussing the present political situation, Mori says: "While an opposition party, the LDP is trying hard to address the bad way opposition parties ran the Diet in the past, the ruling parties are now facing many problems and realistically dealing with them while working to accumulate experience. I think that this situation will advance parliamentary democracy in Japan."

Discussing the issue of compiling the budget for fiscal year 1994, Mori stresses the need for the coalition



government to compile the budget within this year, explaining how the LDP dealt with the compilation of budget in the past.

Asked by Kuroiwa about the possibility of the LDP seeking to hold the foreign minister and the agriculture minister responsible for opening the Japanese rice market, Mori says: "It is possible. It is also possible for the LDP to seek to hold the Hosokawa cabinet responsible." NNNN

#### **SDPJ Endorses Basic Policy Urging Tax Break**

*OW2112142893 Tokyo KYODO in English 1240 GMT 21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—The Social Democratic Party [of Japan] (SDP) [SDPJ] endorsed a basic policy of tax reform for fiscal 1994, including tax cuts of over 5 trillion yen to help turn the economy around, party officials said Tuesday [21 December].

The SDPJ, the largest member of the seven-party coalition government, calls for cutting income tax by 3.5 trillion yen and resident tax by 1.5 trillion yen, starting from January. As a source of covering such a tax reduction, the SDPJ envisages an issue of short-term deficit-financing bonds to be redeemed in five years, during which time the government could take steps to boost the economy and thereby increase tax revenues, the officials said.

The SDPJ is considering submitting the plan to a policy panel of the ruling coalition parties soon, they said.

The party, however, will continue to oppose moves to hike the nation's consumption tax rate from the present 3 percent to cover the expected tax break, they said.

Meanwhile, the largest opposition Liberal Democratic Party (LDP) decided to propose to the government as early as Friday new pump-priming measures, LDP officials said.

The LDP, which is calling for the fiscal 1994 state budget to be drafted within this year, will ask the government to reflect the party's pump-priming proposal in the budget, they said.

#### **National Crime Rate Hits 'Postwar High'**

*OW2312020093 Tokyo KYODO in English 0114 GMT 23 Dec 93*

[Text] Tokyo, Dec. 23 KYODO—The number of reported crimes this year will hit a postwar high of 1.79 million nationwide, according to a National Police Agency report released Wednesday [22 December]. By the end of November, 1,650,592 crimes had been reported, up 3.2 percent from the corresponding period in 1992.

The number of reported crimes for the full year is expected to reach 1.79 million, exceeding the previous postwar high of 1.74 million reported last year.

The rate of arrests or taking suspects into custody for questioning stood at 40.7 percent, up 4 percentage points from the same period in 1992. The jump marked the first year-to-year rise since 1987.

The rate for suspects of felonies, such as murder, burglary and kidnapping, rose sharply by 11 percentage points to 90 percent.

The number of reported burglaries increased by 15.7 percentage points, that of arson by 28.5 percentage points and that of intimidation of private firms by 46.8 percentage points.

Among reported crimes by nonresident foreigners, the number of gangs of pickpockets notably rose to 383 from 53 for the whole 1992.

The enforcement of a new antigang law, which took effect in April 1992, resulted in the dissolution of 197 gang groups as of November 30 this year. The number of gang members also fell by some 3,600 to about 53,000, police said.

#### **Agency Announces 521 Items for Deregulation**

*OW2112144393 Tokyo KYODO in English 1436 GMT 21 Dec 93*

[Text] Tokyo, Dec. 21 KYODO—The Management and Coordination Agency on Tuesday [21 December] announced a total of 521 items for deregulation in a midterm report expected to provide the basis for a second administrative reform plan envisaged by Prime Minister Morihiro Hosokawa. The agency plans to decide officially on the items to be deregulated at a cabinet meeting or through an administrative reform task force to be set up early next year, officials said.

The proposal for a second round of deregulation, which includes such items as the relaxation of rules regulating a company's acquisition and holding of its own securities, follows a government decision in September on the deregulation of 94 items.

The agency is to continue to make final adjustments on the items to be deregulated through negotiations with ministries and agencies until the drafting of the fiscal 1994 state budget, which is expected to take place in late January.

Hosokawa, staking his job on the passage of political reform bills, has called for the relaxation of government regulations which can be regarded as hindering competition among businesses and therefore preventing people from receiving appropriate profits.

Hosokawa asked the agency to wrap up the midterm report following requests last month by the prime minister's advisory panel on economic reform headed by Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren).



The 521 items proposed for deregulation also include such things as the authorization required for the structure of vending machines selling lactic acid drinks and the inclusion of basements in housing floor space calculations. Also included are the transfer of authorization for the opening of medical clinics to the mayors concerned from the Health and Welfare Ministry.

#### **Emperor on Accomplishments, Imperial Role**

*OW2312020393 Tokyo KYODO in English 0104 GMT  
23 Dec 93*

[Text] Tokyo, Dec. 23 KYODO—Emperor Akihito turned 60 Thursday, reflecting on Japan's postwar prosperity and its capacity to contribute to the international community.

"Many things happen in 60 years. Looking back, diverse feelings come to mind. The deepest of these is to see that the Japanese people, having recovered from the pain of war, have come to individually enjoy a better lifestyle, and that we have attained the position, both as a nation and as individuals, of making contributions to the international community," the emperor said.

He made the remarks at a press conference held prior to his birthday at the Imperial Palace.

Referring to his wife Empress Michiko, the emperor said, "I am very deeply concerned over the empress' speech impairment since her last birthday." But he added that he is now "happy that she is well on the way to recovery. "I will continue to follow her progress with care and patience."

The empress collapsed on her 59th birthday on October 20 while chatting with the emperor and their only daughter Princess Nori, and has suffered a speech impairment ever since, which Imperial Household Agency officials attributed to psychological causes.

Weekly magazines have portrayed the empress as a domineering figure in the imperial family and the empress said in a statement issued prior to her 59th birthday that she was bewildered with what she said were groundless reports. The Agency said earlier this month that the empress has partially regained the ability to speak.

"I think that being unable to speak must be immeasurably painful. Yet, despite her condition, the empress is spending her days quietly and I am interacting with her as before, making it easy for me, in my official duties as well as in my daily life, to pass my days well, without any sense of gloom," the emperor said.

Asked about the role of the imperial family, the emperor said, "the Constitution of Japan states that the emperor is the symbol of the state and of the unity of the people. I believe that I must always seek the right way to be that symbol."

"As I contemplate the long history of the Japanese emperors, it is with the happiness of the Japanese people in mind that I reflect on myself and intend to work to fulfill my duties to the nation and to the people," he said.

The emperor picked as memorable events during his life the 1952 San Francisco Peace Treaty, the 1972 reversion of Okinawa to Japan, the fall of the Berlin Wall and the collapse of the Soviet Union in 1991.

As the most significant events of the past year, he picked the series of natural disasters such as earthquakes, torrential rains, typhoons, and the cool summer, as well as the harsh economic conditions.

On Thursday, a party is scheduled to be held to celebrate the emperor's birthday at the Imperial Palace after he receives congratulations from family members and Prime Minister Morihiro Hosokawa.

### **North Korea**

#### **U.S. Joint Chief of Staff's Remarks Criticized**

*SK2312045193 Pyongyang KCNA in English 0428  
GMT 23 Dec 93*

["Military Threat Will Bring Them Nothing"—KCNA headline]

[Text] Pyongyang, December 23 (KCNA)—The chairman of the U.S. joint chiefs of staff, John Shalikashvili, in a news conference got on the nerves of the DPRK, saying that "any attack" from the North could be "stopped."

NODONG SINMUN today brands his outcry as a revelation of the sinister intention of the bellicose U.S. military to stifle the DPRK with strength and impede the progress of the DPRK-USA talks.

The news analyst says:

The U.S. Administration is these days laying artificial obstacles in the way of the third round of DPRK-USA talks, raising unreasonable conditions as regards the nuclear problem on the Korean peninsula. The bellicose quarters of the United States intend to fan this position of the U.S. Administration with provocative remarks and put pressure on the DPRK.

The U.S. military chief in the news conference also talked about "superior training of the U.S.-South Korean combined forces," "superior weapons" and their "military strength" in a bid to raise the morale of the South Korean puppets and instigate them to a war against the North.

The bellicose quarters of the United States must clearly know that military threat to the DPRK or encouraging the South Korean puppets to confrontation would not help solve the problem.



Military threat may bring the DPRK-USA talks to a rupture.

If the United States loses the last opportunity of a negotiated solution of the nuclear problem on the Korean peninsula because of its threat and ultimatum-like attitude toward the DPRK as now, it will be the U.S. itself that will repent of it.

If the United States continues to put military threat on the DPRK and adopts a "military option," it will get nothing from it.

The U.S. bellicose quarters must ponder it over, reasonably judge the situation and refrain from such a foolish act as throwing a wet blanket over the DPRK-USA talks.

### **United States' Sincere Attitude Urged in Talks**

*SK2312061093 Pyongyang Korean Central  
Broadcasting Network in Korean 1630 GMT 22 Dec 93*

[Unattributed talk: "Thinking That Pressure Will Work on Us Is a Miscalculation"]

[Text] Recent trends in the international situation over the Korean peninsula indicate that the United States is now scheming to apply unilateral pressure on us to realize its impure political purpose that contradicts the contents of the DPRK-U.S. joint statement.

As pointed out in the press statement issued by our Foreign Ministry spokesman on 13 December, the United States recently sat face to face with the South Korean authorities and played the farce of bargaining with them over our nonexistent nuclear issue. According to foreign news, during the Clinton-Kim Yong-sam talks held in the United States some time ago, the U.S. President ensured a cooperative system in which South Korean authorities may intervene in our so-called nuclear issue. Prior to this, at the annual Security Consultative Meeting in Seoul, the U.S. defense secretary decided to postpone the two-phased plan for withdrawing U.S. troops from South Korea under the pretext of our nuclear development.

At a meeting to announce the result of the U.S.-South Korean summit talks, Clinton made violent remarks finding fault with us, saying that if someone were to attack, they would have to pay a dear price. In addition, officials in the United States are constantly making remarks that incite us greatly.

The United States is putting pressure on us through Japan. As was already reported, a former high-ranking official in the Japanese Government said that in the event of an emergency on the Korean peninsula, the Japanese Self-Defense Forces may participate as a member of the UN forces. Director general of the Japan Defense Agency said that if an unusual situation [isang-satae] develops on the Korean peninsula, Japan may take appropriate countermeasures.

The Japanese authorities' absurd remarks are an expression of intentions based on their secret promise with the United States. The U.S. authorities' recent activities are violent violations of the DPRK-U.S. joint statement ensuring the avoidance of threat and use of force, including nuclear weapons. While saying that it has not entirely discounted the possibility of talks, the United States actually tries to pressure us with its strength. Their remarks are inconsistent, seditious, promise-breaking, and devoid of fidelity.

If the United States tries to obtain something by pressuring us, they are greatly miscalculating. Our people have never yielded to pressure from anyone. Our people do not abandon their faith and fidelity because they fear someone's pressure.

Our Republic regards independence as the lifeline of the country and the nation and will never tolerate acts infringing upon our sovereignty. Our country has always been prepared for all international incidents and events with its own opinion and on its own initiative and never lived by studying someone's face.

If the United States tries to realize its dirty purpose by threatening and blackmailing us, this means that the United States does not know its counterpart. Regarding our so-called nuclear issue which the imperialists and reactionaries are babbling over, it is mere fiction. What is actually of concern is the approximately 1,000 nuclear weapons that the United States has brought into South Korea.

The nuclear issue has existed on the Korean peninsula ever since the United States deployed nuclear weapons in South Korea in the mid-1950's. The nuclear issue became a more acute issue when the Team Spirit joint military exercises began being held.

In the face of such an obvious fact, the United States fabricates our nonexistent nuclear development, brands us as a so-called nuclear criminal, and tries to pressure us. This is indeed unreasonable.

As was pointed out in the statement of the DPRK Foreign Ministry's spokesman, when our Republic declared its decision to withdraw from the Nuclear Nonproliferation Treaty, our Republic made preparations for all possible circumstances and made full preparations to safeguard the sovereignty of the country, even in the worst situation, when sanctions or war is imposed on us.

The United States should clearly know its dialogue partner and should not think of realizing its unjust purpose through pressure. If the United States truly wants to resolve the nuclear issue, it should not resort to methods like sanctions which apply pressure, but sincerely come to the talks according to the spirit of the DPRK-U.S. joint statement which they have agreed upon.



Today, when most countries of the world regard sovereignty as life in taking the road of independence, the attempt to pressure someone with diplomatic pressure and a crushing military policy [kunsajok apsalcho-ngchaek] is an outdated way of thinking.

Reasonable politicians looking straight at reality are saying that the nuclear issue on the Korean peninsula can only be resolved through the DPRK-U.S. talks. They stress that the U.S. side should look straight at its dialogue partner and sincerely come out to the talks. This is not mere coincidence.

If the United States says favorable things in one's face and turns around to employ double-dealing policies, this cannot produce favorable results for the United States. The United States should give up the farce of using the nuclear issue for its political aims.

#### **DFRF-CPRF Statement Denounces Kim Yong-sam**

*SK2312140493 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 23 Dec 93*

[Joint statement issued by the Democratic Front for the Reunification of the Fatherland, DFRF, and the Committee for the Peaceful Reunification of the Fatherland, CPRF, in Pyongyang on 22 December]

[Text] Concerning dissatisfaction and the spirit of resistance being rapidly enhanced among the people from all walks of life in South Korea against the incumbent regime, the Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF] and the Committee for the Peaceful Reunification of the Fatherland [CPRF] published a joint statement revealing antinational, antidemocratic, and antireunification crimes committed by the Kim Yong-sam group under the cloak of civilian politics. The joint statement is as follows:

The joint statement issued by the DFRF Central Committee and the CPRF:

In South Korea at present discontent and the spirit of resistance of the people of all walks of life against the present regime are rapidly increasing. It is a matter of course that the South Korean people rose in revolt [pangirul tulda] against the so-called civilian regime, from which nothing can be expected.

As everyone knows, the South Korean people, in expectation of true civilian politics, have waited and endured everything since the new regime set sail. However, nothing has changed after one year.

Although the present ruler noisily advertised civilian politics and reform policies, the old colonial domination policy and the dark political era caused by the new civilian fascists still persist in South Korea.

This clearly shows that the civilian politics and reforms loudly talked about by the South Korean ruling bunch are nothing but a deceptive slogan designed to embellish

the colonial fascist rule in South Korea and to appease the antigovernment struggle of the people.

For one to carry out reform and civilian politics in South Korea, a colonial fascist society from the outset, one should carry them out in compliance with the people's will and aspiration to independence, democracy, and reunification. However, reform of the Kim Yong-sam group was not the reform of the system for independence and democracy, nor is it the systematic reform for reunification. Its reform was consistent with merely easygoing play aimed at removing its political rivals on the pretext of corruption and irregularities and at consolidating the foundation for power.

On the first day in office, Kim Yong-sam propagandized that no ally can be better than fellow countrymen. However, he repeatedly committed national treachery by adhering more to the policy of reliance on outside forces than his predecessors.

It is the Kim Yong-sam traitorous clique that entreated the United States to resume the Team Spirit joint military maneuvers, which had been suspended by its predecessor by taking issue with the fictitious nuclear development of the North, which devised a system of dependence on outside forces as an international cooperation system to do harm to fellow countrymen and laid hurdles in the way of the DPRK-USA talks for the solution of the nuclear problem, and which totally opened the South Korean rice market to the United States sacrificing the interests of the farmers and other people.

In relations with Japan, the present ruler of South Korea wiped off the slate the thrice-cursed atrocities committed by the Japanese imperialists in the past, including their crimes in the case of the comfort women forced to serve as sexual slaves for the Japanese Army and unilaterally declared economic opening to Japan at the expense of the dignity and interests of the nation.

In actuality, the Kim Yong-sam ring placed outside forces in a higher position than that of the nation, sold off the national interest for the sake of outside interests, and played a disgraceful role of a stooge of outside forces. Thus, the Kim Yong-sam ring clearly showed that the so-called civilian regime, just as its predecessor regimes in South Korea, is nothing but a colonial puppet regime.

The Kim Yong-sam ring left intact the antidemocratic fascist system in South Korea, instead of reforming it, and suppressed the aspiration of students and people for democracy with bayonets.

Under the cloak of a so-called civilian regime, the Kim Yong-sam ring babbled about reform and liquidation of the past. However, it still keeps in effect the National Security Law, which the people earnestly demand to abolish, and maintained the Agency for National Security Planning and the Defense Security Command. The



Kim Yong-sam ring reduced South Korea to a miserable grave of human rights and democracy.

Craftily enough, the Kim Yong-sam clique brought some opposition figures into the system as decorations of democratization and appeased the youth and students movement for independence, democracy, and reunification. Moreover, it mercilessly oppressed the struggle of workers for wage increase and the struggle of farmers to oppose the opening of the rice, agricultural, fishery markets, thus perpetrating tyranny.

Behind the facade of the civilian rule of Kim Yong-sam, the puppet police, the backbone of the repressive forces, has been drastically reinforced and the club to suppress demonstrations has been lengthened more than one meter. The method of repression has become more vicious, something unbecoming to the civilian signboard. The people have not benefited by the reforms or by democracy, nor have they received favor for their right to exist.

Only the dictator in Chongwadae [presidential office] has changed, but nothing has changed in South Korea. Rather, a more cunning and intellectual civilian fascist dictatorship than that of the era of the military dictatorship is dominating South Korea. As a result, the political freedom and democratic rights of youth, students, and people are being trampled underfoot cruelly.

In its reunification policy, the Kim Yong-sam regime has retreated from the position of its predecessors and has totally frozen North-South relations and strained the situation of the country to an extreme extent.

In his inauguration address, Kim Yong-sam openly stated that he will improve relations with the North from the standpoint of being the same people. However, his remarks were hypocritical and deceptive.

As is well-known, after the new regime came to office in South Korea, we put forward the 10-point program of great unity of the whole nation proceeding from the desire for national reconciliation and unity and made a proposal for the exchange of special envoys of both sides to discuss questions between the North and the South, including the nuclear issue.

Nevertheless, the Kim Yong-sam clique ignored our generosity and proposal and totally severed dialogue and cooperation between the authorities in the North and the South, which had been ongoing even under the dictatorship of the Fifth and Sixth Republics, raising a hue and cry over the fiction of suspected nuclear arms development of the North. It committed antireunification acts by blocking at the point of the bayonet the North-South student talks and the holding of the Fourth Pan-National Rally in Seoul planned on a nongovernmental level.

Worse still, the Kim Yong-sam puppet clique has brought North-South relations to the brink of war, crying for military countermoves against us. Moreover, it put the puppet Armed Forces on constant emergency guard

posture and staged adventurous war exercises of northward aggression, such as Twin-Dragon, Foal Eagle-93 and Hwarang, which are aimed at harming fellow countrymen, throughout the year.

The Kim Yong-sam clique failed, in actuality, to put forward a reasonable and realistic reunification policy and only adhered to an outdated theory of step-by-step reunification. It pursued anticommunist and anti-North maneuvers and reversed North-South relations. Thus, it darkened the future of national reunification more than ever before.

With civilian fascism implemented in South Korea since traitor Kim Yong-sam came to office, the people's desire for independence, democracy, and reunification has been erased and distrust and confrontation have been further aggravated in North-South relations. As a result, the situation returned to the original point before adoption of the North-South agreement. In external relations, the policy of disgraceful reliance on outside forces has been strengthened. This resulted in further trampling underfoot of national sovereignty in South Korea.

The DFRF Central Committee and CPRF sternly denounce in the name of 70 million fellow countrymen the antinational, antidemocratic, and antireunification crimes committed by the Kim Yong-sam clique on the pretext of civilian politics.

The civilian veil of the present ruler of South Korea has been wholly torn off in less than a year.

Today, the people from all walks of life in South Korea rise in the mass struggle against the Kim Yong-sam civilian dictatorship, and voices calling for overthrowing the civilian dictatorship are resounding even from the Assembly. This is indeed natural and deserving.

It is the opinion and position of all people toward the present regime of South Korea that nothing can be done by such politicians as Kim Yong-sam.

It is now clear that existence of the Kim Yong-sam clique will only harm reconciliation and unity of the nation, will endlessly delay national reunification, will destroy peace of the nation, and will only result in war.

We recognize that it is now time for workers, farmers, youth, students, intellectuals, and people from all walks of life in South Korea to liquidate [kyolsanul chitta] the Kim Yong-sam clique. To do this, lingering attachment to the clique and hesitation are not necessary any longer.

We hold that South Korean youth, students, and people from all walks of life should continue their struggle against the rice market opening and punish the traitors forsaken by the people and the nation.

Only one way is open to the South Korean rulers—the way to their grave.



We express our firm belief that youth, students and people from all walks of life in South Korea will vigorously struggle to achieve the great unity of the whole country and the cause of national reunification in the 1990's.

[Date] 22 December 1993  
[Issued] Pyongyang

**Dailies Assail Kim Yong-Sam's Cabinet Reshuffle**  
*SK2312044993 Pyongyang KCNA in English 0434*  
*GMT 23 Dec 93*

["Papers on Traitor Kim Yong-sam's 'Cabinet Shakeup'"—KCNA headline]

[Text] Pyongyang, December 23 (KCNA)—Papers here today comment on the "cabinet reshuffle" made by the traitor Kim Yong-sam, upset by the rising anti-"government" struggle against the rice market opening, in an effort to shift the blame on to the puppet administration.

The news analyst of NODONG SINMUN says:

The crisis of the South Korean "Government" and the sweeping "cabinet reshuffle" are an inevitable outcome of the colonial domination of South Korea by the United States and the seizure of power by such puppet as Kim Yong-sam.

It is the traitor Kim Yong-sam who is to blame for the present crisis of South Korea and rice market opening. Nevertheless, the traitor victimized his underlings through the "cabinet reshuffle" to evade the responsibility and bridge over the ever-worsening crisis of his "government".

It must not go unnoticed that through the "cabinet reshuffle" Kim Yong-sam the puppet sought to consolidate the foundation of his rule and tide over the "government" crisis by drawing many of his underlings into the cabinet.

Kim Yong-sam claimed that the "cabinet shakeup" was for complying with the "era of opening and internationalisation" and "achieving labour-management stability and social stability." This implies that he intends to commit more treacheries without a hitch and suppress the anti-"government" struggle of the South Korean people more ruthlessly by seating his underlings in "government" posts.

The Kim Yong-sam group plans to prolong his days by enforcing "civilian" fascist dictatorship on the South Korean people at home, pursuing division, confrontation and war in North-South relations and winning favour of the imperialist reactionaries externally.

With the traitor Kim Yong-sam left alone, neither reconciliation and unity, peace and Reunification of the country nor democratic freedom and rights can be achieved.

A news analyst of MINJU CHOSON stresses that nothing but destruction awaits those seeking dependence, fascism and division, no matter how many times they may make "cabinet shakeup."

**Exhibition in Russia Evokes 'Big Response'**

*SK2312111893 Pyongyang KCNA in English 1035*  
*GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—The DPRK book, photo and handiwork exhibitions which were recently held in Russia and Kazakhstan evoked a big response among the visitors.

Leksu Ala Vasilievna, first deputy mayor of Serpukhov city, Russia, said it was the result of the wise guidance of the great President Kim Il-song and dear Comrade Kim Chong-il who is carrying forward his cause that Korea has developed into a country which startles the world's people.

Zolkin Anatoli Ivanovich, manager of the electric machine factory in Karaganda city, Kazakhstan, said that respected President Kim Il-song has built the best socialist country in the world and has pursued the politics for the people.

"We want to be led by such an outstanding man as the great President Kim Il-song", he stressed.

Aleksandr Ivanovich Kostenko, first deputy mayor of Akmola city, Kazakhstan, noted that the chuche idea founded by respected President Kim Il-song was the only guiding idea of the people in our age aspiring after independence.

Lymbala Kinzibaliyevna Omar Bekova, director of the Cultural Affairs Department of Karaganda Province, Kazakhstan, said that though the history of Korean industry is not so long, it has developed so rapidly as to amaze people.

She added that the reality of Korea, which is managing the economy with the mobilization of internal resources on the principle of self-reliance, not affected by the world-wide economic crisis, gives strength and courage to the people of the world. Maksimova Tatiyana Aleksandrovna, member of the Akmola City Writers Association, Kazakhstan, said that dear Comrade Kim Chong-il who is carrying forward the revolutionary cause of the great President Kim Il-song has administered politics for the people and devoted his all to them. She stressed that the future of Korea is bright as it is led by him." [no opening quotation mark as received]

**World Public Praises Feats of Communist Fighter**

*SK2212114093 Pyongyang KCNA in English 1017*  
*GMT 22 Dec 93*

[Text] Pyongyang, December 22 (KCNA)—The world public praises shining feats of Comrade Kim Chong-suk,



an indomitable communist revolutionary fighter (December 24, 1917-September 22, 1949).

A bulletin printed by the Peru-Korea Institute of Culture and Friendship said that Kim Chong-suk was a revolutionary soldier intensely loyal to President Kim Il-song and an ardent revolutionary and a heroine of the anti-Japanese struggle who dedicated her whole life to the final victory of the Korean revolution.

The SHIHATA News Agency of Tanzania said that Kim Chong-suk who was lauded by the people as "woman general of Mt. Paektu" staunchly safeguarded respected General Kim Il-song politically and ideologically with her life as his bodyguard.

The Indian paper WORUM said that she was unsparing of herself in carrying through the lines and policies advanced by the great leader.

Radio Afghanistan said that she always set an example in work, life and battle as a competent political worker and made a great contribution to the victory of the anti-Japanese armed struggle.

The director of the Training Centre of Po. Commandoes in Burkina Faso said that Comrade Kim Chong-suk had a noble trait of devoting herself to comrades and the collective at all times and boundlessly simple popular virtues.

Chantal Cousin, chairman of the French committee to support the founding of the Democratic Confederal Republic of Koryo, said that the noble feats performed by her for the times and the country are now shining in all fields of socialist construction and the socialist cause in Korea so desired by her has made great strides.

#### **Others Mark Fighter's Anniversary**

*SK2312105193 Pyongyang KCNA in English 1018  
GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—Functions took place in different countries on the occasion of the 76th anniversary of the birth of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter (December 24, 1917).

Govind Narain Srivastava, secretary general of the Asian Regional Institute of the Chuche Idea, gave a lecture entitled "The life of Kim Chong-suk and the brilliant accomplishment of the cause of chuche in Korea" at a commemorative lecture held by the Chuche Philosophy Youth Study Society of Delhi, India on December 11.

He said that Kim Chong-suk, an indomitable anti-imperialist fighter and a heroine of the anti-Japanese struggle, regarded it as her most noble revolutionary duty to remain loyal to the revolutionary cause of chuche pioneered by the great President Kim Il-song and devoted her all to it to the last moment of her life from the first day when she embarked on the road of revolution in her early years.

Socialism centered on the popular masses after which she aspired is already rooted deep in the land of Korea and is fully displaying its great vitality, he stressed.

Addressing a seminar held by the Zairean youth group for the study of the chuche idea on December 10, its chief Nzemba Yangana said that Comrade Kim Chong-suk, an indomitable revolutionary fighter, was a woman general of the anti-Japanese struggle who took part in the anti-Japanese armed struggle organized and led by his excellency President Kim Il-song in her early years and performed heroic feats in the noble struggle to liberate the country and the nation.

The socialist paradise she aspired after has been excellently built in Korea under the wise guidance of his excellency dear Kim Chong-il, he noted.

Jose Fanequico, executive secretary of the Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea, in a statement issued to the press on December 13 said that the life of Comrade Kim Chong-suk is the greatest and brightest paragon of the Korean people as well as the people and women of the world.

#### **Kim Chong-il Sends Thanks to Different Units**

*SK2212113893 Pyongyang KCNA in English 1012  
GMT 22 Dec 93*

[Text] Pyongyang, December 22 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the Changgwang export garment factory, Anju city, Tongchon County and Pihyon County people's hospitals and the Ninsan herbs farm in North Hwanghae Province which have displayed the traditional beautiful traits of Army-people unity.

The units donated blood and flesh to resuscitating those soldiers wounded while on a military duty and looked after them with their utmost sincerity so that they may go back to their posts.

It is a public trait that the Army helps the people and the people value and love the Army as their own flesh and blood in Korea.

#### **\* Kim Il-song Villa Guard Describes Conditions**

*Seoul WOLGAN CHUNGANG in Korean Sep 93 pp  
356-363*

[Interview with Kim Myong-chol, former member of the General Guard Bureau, by unidentified correspondent on 11 Aug; place not given]

[Excerpts] Kim Myong-chol, 33 years of age, defected by way of a third country last July 15. He was a guard of the General Guard Bureau—Kim Il-song's security guard unit, responsible for Kim Il-song's and his son's villas. [passage omitted]



I heard you served in North Korea in the Bureau which guards Kim Il-song. What is it like?

"The Bureau guards Kim Il-song, his official residence and villas, and places of his deeds, etc., which may be similar to the Presidential Security Service of South Korea. Because the guards serve near Kim Il-song, the selection process is rather strict. Anyone who wants to be selected as a guard must not have had a so-called reactionary element, such as defectors to South Korea among relatives as close as his father's cousins, not to mention that his natural character must be good.

If so, I suppose your natural character was pretty good in North Korea.

"Yes. In North Korea there are 'personal records' where individual natural characters and personal histories, etc. of all residents are recorded. I heard that there are more resident registrations or something in South Korea too. Personal records in North Korea are mainly used to keep individuals in accordance with their natural characters as well as their families and residences. Only if his personal record is perfect, can he be picked for the General Guard Bureau. In my case, mine was pretty good because my late father had been the Chairman of the Council of People's Commission, Songhwa Kun, Hwanghae Do immediately after Korea was liberated from Japan, and my maternal uncle was also at that time a secretary to a Party official named Kim Kyu-yong, etc."

Then after being selected a guard, where have you mainly served? Shucks, I forgot to ask first: at what age on the average do young men join the army in North Korea?

"They usually join the army at about 18 years of age after completing high school (5 year system). While a student of Songhwa High School, Yongho Ri, Songhwa Kun, Hwanghaenam Do, my native place, I volunteered for military service and served from October 1976 to April 1985. Young men are usually required to serve seven years. After finishing the obligatory term, some prolong their service depending on their individual circumstances. Once joining the army, they are trained for three to six months and are stationed at each unit. I was selected for the Bureau and served for about five years from my days as a private at Kim Il-song's 'Special House' (Kim Il-song's private villa) situated in the Jamo Mountain, Pyongsong City, Pyonganam Do."

For reference, the enlisted grades of North Korea's Army are classified into six ranks starting from 'private' to corporal, staff sergeant, sergeant first class, master sergeant, sergeant major. According to Kim Myong-chol, while the ordinary enlisted serve in the Ministry of People's Armed Forces, guards of the General Guard Bureau form an independent unit. It is said that since the mid-1970s when North Korea strengthened the position of Kim Chong-il as successor to Kim Il-song, it significantly increased the power of the Bureau to protect Kim Il-song and his son.

I heard that the villa on Mt. Jamo, Kim Il-song's Special House, was pretty large. How large is it actually? I suppose you saw it close up.

"North Korea levelled the Jamo area where there had been a mountain fortress wall and made recreation facilities. Trespassing by private persons (ordinary citizens) is strictly prohibited. There are dense forests, thick plants, a small lake, and green hills made by leveling the foot of the mountain. It takes about an to drive my car around the mountain.

Kim Il-song's villa is on the top. The road around the mountain is mainly used for hunting wild boar and pheasant."

When Kim Il-song stays in the Special House he sometimes goes hunting, doesn't he? Have you ever seen it personally?

"I remember Kim Il-song coming there about five times a year while I was serving there (November 1976 to October 1981). I heard there were more Special Houses, large and small, across the country in addition to that on Jamo, and that the Special House on Jamo was large and mainly used as Kim Il-song's private recreation facilities.

One time I saw Kim Il-song's hunting very close up. On Jamo pheasants, deer, and wild boar—raised all over the country—are pastured. Though it is called hunting, they don't shoot while walking about in the mountains but through a car window (a German-make Mercedes Benz).

I remember Kim Il-song always coming by himself to the mountain except for some people close to him. Because I mainly took charge of outside guard, I myself was not able to see the inside of his villa. But it seemed that the facilities were utilized only for his personal rest rather than for any event or reception of foreign visitors.

For example, even when Cambodian Prince Norodom Sihanouk visited North Korea once, Kim Il-song came alone to rest on the mountain. Considering that he was unaccompanied even by Sihanouk—known as his closest acquaintance of all foreign leaders—it is known that the Special House is exclusively for Kim Il-song's private use."

I ask a question from personal curiosity. How is Kim Il-song's hunting skill? After all, he is 81.

"Ha-ha! What hunting skills? It is shooting close up. The pheasants and deer there are hardly afraid of men. Even when guards come close and kick the deer and wild boars lightly, they don't budge an inch, much less run away.

There is nothing easier than that kind of hunting. Once Kim Il-song hits a pheasant, an aide picks it up. For an 81 year old, he could be said to be a pretty good shot.

A little while ago you said that he came by himself whenever he visited the mountain. But has he not been accompanied by Kim Chong-il or has Kim Chong-il visited alone?



"Kim Chong-il has his own private villa. I heard that there surely were Kim Chong-il villas near every Reception House and famous scenic spots such as the Diamond Mountains, Mt. Paektu, etc. From my service on Jomo, I was dispatched for a while to the mountain district called Bukkyesu, Pote Ri, Samjiyun Kun near Mt. Paekdu, where I saw a Kim Chong-il villa. One mountain over from Pote Ri, the notorious 'Chong-il Peak' is situated. While North Korea began to increase propaganda for Kim Chong-il, it built the Mt. Paektu Secret Camp and called it the house of Kim Chong-il's birth (North Korea built a small log cabin in a thick forest and is propagandizing it as Kim Chong-il's birthplace) and carved 'Chong-il Peak' on a huge rock and the like, making the whole Mt. Paektu a 'revolutionary museum.'"

How do North Koreans judge Kim Chong-il? Recently the foreign mass media are reporting that North Korea is operating an 'amusement group' and a 'happiness group' etc.,—resembling prostitution—for maintaining the health and physical stamina of Kim Il-song and his son. Especially with Kim Chong-il, it is said that he is kept at arms length by ordinary people due to his cavorting with prostitutes.

Well, I don't know the details very well. I remember hearing that the singers (Jun Hye-yong, Kim Kwan-suk, etc.) of Bocheonbo Electronic Band were members of the 'amusement group'. It is also well known that the People's Actress, Hong Yong-hui—a heroine (the role of Kob-buni) of a revolutionary opera—'A Flower Girl,' is his beloved concubine.

It seems that the popularity of Kim Chong-il is not so good anyway. I heard many times that he is a playboy with a fussy temperament."

Now let's change the subject. What was your occupation after you were discharged from military service?

"As I first told you, after the obligatory term is finished, one is allowed to serve an additional term while living out of the barracks. During this time, I married and served at the General Guard Bureau's No. 747 Management Unit.

It is usually called Management Unit No. 47, a gold mine used to get foreign currencies (export). It is situated at Unsan, Pyonganbuk Do. I even mined gold and served as a sergeant major in charge of the acquisition of foreign currencies, a kind of exporter, immediately before my retirement. After that I was discharged from service.

In fact, even in 1976 when I joined the army, high school students except for those going on to university, were anxious to join the army because only after they had finished their military obligation could they get jobs and learn skills in the Army and get good pay. But recently, because the situation has changed, the popularity of soldiers has dwindled. In order to evade enlistment,

some ask for powerful supporters' help. Even in North Korea, anything illegal can be done through VIP influence.

After being discharged from the service, Kim Myongchol was in charge of the foreign currency acquisition at 'Mankyongdae Jewelry Processing Works' near Pyongyang. He said that the Works was an extensive operation and even exported processed jewelry to France and Italy, etc. I suppose his job at the Works might be related to his career at the gold mine while in military service. According to him, 'persons in charge of foreign currency acquisition,' who are a kind of exporter, are pretty envied in North Korea. It may be because that they can come into contact with foreign civilizations and information more readily than ordinary people.

Did you happen to read any books or hear any songs of South Korea while you were in North Korea?

"Although I rarely read a South Korean book, I have had chances to hear songs. Because I was a foreign currency acquisitions official, I was on intimate terms with Chinese emigrants in the suburbs of Pyongyang. When I called at their houses I had chances to hear cassette tape recordings of South Korea imported from Yanbian, China.

Now in North Korea, many people listen to cassette tape recordings of South Korea passed on secretly from person to person. I also listened to many songs. [passage omitted]

Recently many college students or even ranking officials of North Korea are defecting to South Korea. Do you know of such a fact?

"In fact, such news can hardly be heard in North Korea. But I heard a rumor that a student studying in a country of Eastern Europe defected to South Korea. It is said that at one time all students studying abroad were called back to their home country. I know one defector. It is Mr. Kim Yong who is a famous singer. I don't know him personally but I know him by name because I worked with his friends at Mankyongdae Jewelry Processing Works."

While you lived in North Korea, did you have electric home appliances such as a TV set, radio or stereo? I am a little anxious to know the lifestyle, especially the cultural life of ordinary North Korean people.

"I did not have a TV set but had a Japan-made Sony radio and a Japan-made National stereo which I bought while working as a foreign currency acquisition official. Recently even in North Korea, TV sets being very popular, everybody is anxious to buy one. But they are rarely available in the market except for imports because they are not produced within the country. It is known that TV sets called 'Daedonkang' are assembled from parts imported from Russia or Hungary, etc.

Even if a TV set is installed at home, people do not feel like watching because the programs are only culture and



propaganda, whose contents are almost the same, although recently shows and comedies are sometimes televised. [passage omitted]

Please explain how matters stood when you defected from North Korea. "It was January 29 of this year when I crossed over the Tumen River. I went to Rajin with official permission and after that stole a ride on a train to the border. I wonder if you know that when the Tumen River freezes over in winter, the ice is so hard that cars or trucks can cross over it. The river is not very wide at its narrowest point. It seemed to me that crossing the river was the longest time in my life. Had I been arrested, I would have been killed. Fortunately, there being no Chinese border guards on the other side, I was able to cross the border without much trouble and go as far as Hunchun.

Then how did you spend your time in China from January till the time of your defection?

"At first, I did not intend to defect to South Korea at all. I was afraid of the South Koreans because of the false Northern propaganda. During my stay in China, I happened to meet some people from the South wandering about Hunchun, Changchun, Yanji, etc. When I first saw South Koreans I was afraid for some reason and even avoided meeting them intentionally. After that I went to a 'karaoke' hall and heard about the South over drinks with some South Koreans. It seemed to me that they first thought that I was from Yanbian.

I read some books and a current affairs monthly magazine published in South Korea that they gave me. These were really novel and interesting. Finally I disclosed my identity and pleaded my case for defection. One of the South Koreans I met—his name should not be identified—was on such intimate terms with me that we might swear to be brothers. I can say that I had much help from them in defecting." [passage omitted]

#### **KSDP Central Committee Lists 'Basic Tasks'**

*SK2312102593 Pyongyang KCNA in English 1012 GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—An enlarged plenary meeting of the Central Committee of the Korean Social Democratic Party [KSDP] was held in Pyongyang today.

The agenda item of the meeting was "on the discussion of the draft of a new programme of KSDP and amendment to its rules."

Vice-chairman of the party Central Committee Kim Yong-ho delivered a report at the meeting.

He said the draft of a new programme which defines the party's political idea as the idea of independence and sets the propositions of its essential policy and ten-point basic tasks on its basis proceeded from the historical responsibility of the party for the nation's cause of independence and the demand of the present situation.

Stating that the draft which had been supplemented and readjusted through an all-party debate according to the October 12 decision of the political committee of the party Central Committee would be discussed at the meeting, he elaborated on the contents of the programme.

He proposed that the new programme and amendment to the rules be presented to the upcoming party congress.

Then, the draft of the programme and amendment to the rules were made public and a debate on them took place.

The speakers unanimously supported them, vowing to invigorate internal and external activities under the banner of the idea of independence.

The new programme reads in part:

The KSDP is a democratic party devoted to the country, the nation and the people, defending the demands of all classes of popular masses and the interests of the nation and seeking social justice.

Our party's political idea is the idea of independence. It is a political idea which holds independence to be the lifeblood of man, nation and humanity and claims independence of man, of the nation and of humanity as a trinity.

The idea of independence is the guiding idea of our party governing all its policies and activities.

The essential policy assertions of our party is to build an independent society and accomplish the independent reunification of the country at the present stage and to finally build a future society—an independent world in which the three requirements of independence have been materialized.

The political idea and policy assertions of the KSDP reflect the party's character of devotion to national independence, of patriotism and democracy and also accord with the demand of the international community for independence and democracy.

With a view to achieving an independent society, independent reunification and an independent world, the KSDP takes upon itself the following basic tasks:

1. To realise independence of man and the nation and build a sovereign state of independence, democracy, equality and solidarity.
2. To mould the destiny of the nation by its own efforts without dependence on others and take the stand of originality and creativity, rejecting sycophancy and dogmatism.
3. To guarantee democracy in political life and all other realms of social life and ensure stable employment, safe working conditions and balanced distribution.



4. To expedite self-support and modernization of national economy, solidify firmly the independent economic power of the country and recognize and protect state ownership, cooperative ownership and private ownership alike.

5. To enforce perfect public welfare policy in all domains such as housing, public health, education, social insurance and social security and secure clean living and natural environment against pollution, in keeping with the requirements of man in his independent life. 6. To preserve the brilliant cultural tradition of the time-honored nation as old as 5,000 years, develop modern science and technology, literature and art, abiding by the subjective stand, and encourage promotion of education of the rising generation and training of native technical experts under the state concern.

7. To oppose infiltration of reactionary ideas and culture eroding man's mentality, promote vitality and spirit of independence of the Korean nation and infuse the whole society with lofty human features and morality.

8. To seek arms reduction and withdrawal of foreign military forces on the Korean peninsula, secure peace of the country and pursue the policy of self-reliance in national defence.

9. To pull down the barrier of idea and principle, religious faith and social system and establish a unified, pan-national confederal state of independence, peace and neutrality from the nation-comes-first viewpoint and by the great unity of the whole nation on the basis of the three principles of national reunification— independence, peaceful reunification and great national unity.

10. To pursue a foreign policy of independence, peace, friendship and solidarity, strengthen contacts and ties with social democratic and other political parties over the world and destroy the order of domination by multinational enterprises to establish a new, fair international economic order.

#### **Pomminnyon Committee Holds News Conference**

*SK2312112093 Pyongyang KCNA in English 1029  
GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—The preparatory committee for the formation of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) called a press conference on the proclamation of the program and statute of Pomminnyon in Seoul on December 16.

Media reporters of South Korea were present at the press conference sponsored by presidium members and executive members of the preparatory committee for the formation of the South side headquarters of Pomminnyon.

The press conference heard a statement prepared by the preparatory committee for the formation of the South

side headquarters of Pomminnyon for the proclamation of the program and statute of Pomminnyon agreed and adopted by the North, the South and overseas sides.

It is already three years since the formation of Pomminnyon, and during the time the overseas headquarters expanded regional headquarters in the United States, Canada, Japan, China, the Commonwealth of Independent States, Europe and Australia and the North side headquarters have its organizations in cities and counties and held the pan-national rally every year, representing fellow countrymen's desire for reunification, the statement said, and went on:

However, the "Government" of the South side arrested some leading members of Pomminnyon by invoking the "National Security Law", an anti-reunification repressive tool, and persistently suppressed the activities of Pomminnyon and the pan-national rally. The South side headquarters of Pomminnyon has put off its inauguration for nearly three years to avoid an acute confrontation with the "government".

The preparatory committee believes the ardent desire of the 70 million fellow countrymen for the independent, peaceful reunification of the country and the invariable encouragement of the world peace-loving people. The committee vows once again before all the fellow countrymen and the world to staunchly fight for the reunification of the country in the 1990s, pooling the strength and wisdom of the 70 million fellow countrymen, not yielding to any repression obstructive to the reunification on the occasion of the proclamation of the program and statute.

#### **Enterprises Fulfill Plans Ahead of Schedule**

*SK2112004093 Pyongyang KCNA in English 1519  
GMT 20 Dec 93*

[Text] Pyongyang, December 20 (KCNA)—Many units, factories and enterprises in different branches of the national economy have fulfilled the yearly plans ahead of schedule in the Democratic People's Republic of Korea.

Some 80 units under the general bureau of mining machine industry, the Yongsong general machine bureau, the general bureau of land transport and in the domain of forestry and more than 160 factories and enterprises in Pyongyang have hit their yearly targets one or two months ahead of schedule.

This year the gross industrial output value in Pyongyang has increased 6 percent as compared with the like period last year.

The government has boosted investments in economic construction this year, too, to further increase the economic might of the country.

In the mining industry the Hwapung coal mine went into operation, a belt conveyor line in the pit was completed at the Namyang coal mine, and pits, dressing plants and crushing and screening grounds were built at the



Komdok mining complex, the Taedaeri mine and Changsan mine. As a result, the coal and ore production capacity has grown markedly.

The construction of power stations has progressed briskly in the power industrial domain. The system projects of generator No. 2 of the east Pyongyang thermal power plant and generator No. 1 of the Namgang power station were completed and put into operation.

Productive foundations of the metal industrial sector have been further consolidated.

Continuous roughing processes were built at the Cholima steel complex and the Hwanghae iron and steel complex, and the ferroalloy shop of the Puryong general metallurgical works was reconstructed on an extensive basis.

Production capacity has increased in the machine-building, electronics and automation and chemical industrial domains as a result of the stepped-up modernization of production processes.

A production base of electronic devices was built at the Chongnyon electrical appliances complex, the Kumgang joint-venture motor company went into operation and the modernization of the current transforming system was completed at the Hungnam fertilizer complex.

Now, Korea meets more than 98 percent of the needs for machinery and equipment with home products, and produces complete sets of equipment for various domains of the national economy including the metallurgical, chemical, power and mining industries.

With the brisk promotion of the modernization of equipment in the textile, shoemaking and other light industrial branches, the quality of goods has improved and production capacity largely augmented.

The Pyongyang cigar paper mill was commissioned and garment factories were constructed and put into operation in Taean, Yomju, Yonggang and other places.

This year, big efforts were put as ever into new railway laying and railway electrification projects in the transport domain, with the result that railway lines extending 410 kilometres including the Hyesan-Manpo youth line, the Pyongsan-Kaesong and Yonggwang-Sasu lines were switched over to electric traction and the Pyongyang-Kangdong expressway was built.

### **Construction Projects During 3d 7-Year Plan Reported**

*SK2112220293 Pyongyang KCNA in English 1524 GMT 21 Dec 93*

[Text] Pyongyang, December 21 (KCNA)—The capital construction amounting to tens of billions of won has been successfully launched in Korea during the Third Seven-Year Plan (1987-1993) and more than 11,000

objects have been commissioned in the industrial domain alone. As a result, the departmental structure of the industry has been furnished and its independence and might have been strengthened still further.

In the mining industrial domain, large coal mines in Anju, Sunchon and Pukchang areas and ore mines in Tanchon area and Yanggang Province including the Komdok mining complex have been reconstructed on a large expansion basis and dozens of coal mines, ore mines and pits have been developed in the areas with rich deposits and favourable excavating conditions.

Coal production increased by 40 percent and the production of non-ferrous metal ores by 60 percent and raw material and fuel bases have been expanded and consolidated during the fulfillment of the plan.

In the power industrial domain, the Taecheon and Wiwon hydraulic power stations, the Sunchon and East Pyongyang thermal power plants and many other large power stations and minor power stations have been built and the construction of the Kumgangsan, Yongwon, Kумыgang hydraulic power stations and the December and Haeju thermal power plants has progressed apace to considerably increase the generating capacity of the country.

The second-stage expansion project of the Kim Chaek iron and steel complex and the capacity expansion project of the Musan mining complex were completed and new production technological processes of high pressure pipes, stainless steel pipes and others replenished and completed in the metal industrial domain.

In the machine building industrial sector, the Huichon machine tool complex has been reconstructed on an expansion basis, a modern production base of digital control machine tools built in the April 3 machine tool complex and other production bases of motor organs, oil pressure appliances and electrical machines built.

In particular, many production bases of integrated circuit, computers, control devices and other modern electronic and automation elements have been built and as a result, a great progress has been made in accelerating the comprehensive technical renovation of the national economy and in mechanizing, automatizing, robotizing and computerizing production processes.

The first-stage project of the Sunchon vinalon complex was completed, the Sinuiju chemical fibre complex and other chemical fibre production bases adjusted and reinforced and production bases of basic chemical goods built in the chemical industrial domain.

The Hungnam fertilizer complex and other chemical factories in Hamhung area have been reconstructed and expanded, organic mineral fertilizer production bases built and the potassic fertilizer industry founded in Sariwon.

In the light industrial domain, the Pyongyang, Kusong, Sariwon and Kaesong textile mills have been replenished



with spinning equipment and a large number of clothing, shoe-making, daily necessities and foodstuff factories built in different parts to rapidly increase the production of consumer goods.

With the capital construction stepped up in the building material industry and other industries, their material and technical foundations have been further strengthened.

Now Korea has the powerful socialist independent national economy which makes it possible to eat, clothe and live by its own efforts under any circumstances.

#### **Further on Construction Projects**

*SK2312112893 Pyongyang KCNA in English 1049  
GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—Dwelling houses for more than one million families have been built in the DPRK in the Third Seven-Year Plan period (1987-1993).

And over 3,200 educational, cultural and health institutions and service facilities took shape, completely changing the looks of towns and villages.

All those edifices satisfy the demands of urban and rural dwellers on a high level for their ideal style and content suited to the national sentiments and modern aesthetics.

Everybody has his own house and has no worry about shelter in Korea where the state is wholly responsible for the housing of the working people.

In recent years, the state has remarkably increased investment in housing construction with the aim to completely meet the high demands of the working people for houses in a few years.

In the Third Seven-Year Plan period, modern houses for 100,000 families, the monument to the victory in the fatherland liberation war, the three revolution exhibition, the May Day stadium, gymnasiums in Chongchun street and many other monumental edifices have been built in the capital city of Pyongyang.

In the last two years or more of the 1980s, edifices with a total floor space of 5.5 million square metres were erected and in the 1990s 50,000 flats and then 30,000 flats were built to largely change the looks of the capital and powerfully demonstrate the great economic potentials of the country.

Housing construction has been brisk in local cities and rural communities.

Residential quarters with thousands of houses have made their appearance in Suncheon, "a city of chemical industry," Namchongjin, "a city of smelters," and Namsinuiju, "a city of light industry." Tens of thousands of modern houses have been built for coal miners in Kaechon, Tokchon, Pukchang, Anju and other areas.

Numerous families in 35 cities and county seats and 950 cooperative farms across the country moved to new houses all at once in April last year on the occasion of the 80th birthday of the great leader President Kim Il-song.

Housing construction is being promoted more dynamically across the country under the plan of the Workers' Party of Korea to provide the people with conditions for a more cultured and happier life.

#### **Nation Said To Have 1.73 Million 'Intellectuals'**

*SK2112215993 Pyongyang KCNA in English 1514  
GMT 21 Dec 93*

[Text] Pyongyang, December 21 (KCNA)—The 21st Plenary Meeting of the Sixth Central Committee of the Workers' Party of Korea, reviewing the fulfillment of the Third Seven-Year Plan (1987-1993), declared that the nation now has 1.73 million intellectuals.

This is a brilliant fruition of the party's chuche-oriented educational policy and the superior socialist educational system.

Korea which put the anti-illiteracy campaign on the order of the day after its liberation has set the goal of training all the members of society to be comprehensively developed communist human beings with the knowledge of a university graduate. To this end, the nation is making preparations under a far-reaching plan to enforce compulsory higher education.

The state has built many universities and colleges and increased the number of students stage by stage.

During the Third Seven-Year Plan, 55 universities and colleges including Nampo University of Medicine, Chamsan University and Pyongyang University of Surgery under the full-time education system and Yongdae College of Technology, Taehung College of Technology, Saeppyol College of Agriculture and Pyongsan College of Agriculture under the study-while-working education system and many vocational colleges made their appearance. This period witnessed the training of a total of 420,000 young intellectuals.

Especially, a large number of working people finished college courses while on the job thanks to the development of the study-while-working higher education system. In many cases, teachers visited them and gave lectures at study rooms arranged in their worksites. For instance, 84 members of the youth workteam of the Pungchon cooperative farm in Tongnim County, North Pyongan Province, and 43 young couples of the Kumsan cooperative farm in Paechon County, South Hwanghae Province, became engineers on the same days and 1,318 farmers of 16 farms in Taetan County became assistant engineers at local branches of Taetan College of Agriculture.

Education in Korea is supported by the universal free education system. Free education ranges from kindergartens up to universities and covers the networks of social



education and adult education. Scholarships are paid to university and college students.

The state allots a considerable amount of budgetary expenditure to education and increases it year after year in a systematic way.

The assimilation of the whole society to intelligentsia is promoted by the chuche-oriented educational policy of the Workers' Party of Korea, a great number of universities and colleges of the nation and ever broader popular measures.

### **Stamps Issued Honoring Mao Zedong's Birthday**

*SK2312070693 Pyongyang KCNA in English 0420  
GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—The Ministry of Posts and Telecommunications of the Democratic People's Republic of Korea issued souvenir stamps and postcards on the occasion of the centenary of the birth of Mao Zedong.

Edited in 13 souvenir stamps, a sheet, sheetlets and postcards issued some time ago are photos and pictures representing the life and activities of Mao Zedong and the solidness of Korea-China friendship.

The stamps and postcards show the pictures of Mao Zedong in Yanan and Beijing, casting a ballot and among the pupils.

United in the sheet and sheetlets inscribed with flags of Korea and China and the letters "Centenary of the birth of Mao Zedong" in Korean and Chinese are seven stamps showing Mao Zedong proclaiming the founding of the People's Republic of China and meeting his son Mao An-Ying in Xiangshan, Beijing.

Among them there is a historic picture of the great leader of the Korean people President Kim Il-song meeting the great leader of the Chinese people Chairman Mao Zedong.

## **South Korea**

### **President, UN Chief Discuss DPRK Nuclear Issue**

*SK2312100493 Seoul YONHAP in English 0951 GMT  
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—President Kim Yong-sam reiterated on Thursday [23 December] the importance of the resolution of the North Korean nuclear question.

While meeting with visiting U.N. Secretary-General Butrus Butrus-Ghali at Chongwadae [presidential office], President Kim said, "North Korea should be kept from developing nuclear arms under all circumstances."

He said the whole world has entered a de-cold war age but cold war tension persists on the Korean peninsula as ever.

Chong Chong-uk, chief presidential secretary for foreign affairs and national security, said President Kim stated before the secretary-general that Korea is not interested in absorbing North Korea in unification.

"The president stressed that his government pursues a peaceful unification based on an agreement reached through dialogue," Chong said.

Butrus-Ghali said that when he visits Pyongyang, he would correctly convey such stand of President Kim to the North Korean leadership.

Chong quoted the U.N. chief as saying, "North Korea's nuclear arms development is not desirable even for the maintenance of the existing nuclear nonproliferation mechanism."

Also explaining about U.N. activities for the keeping of world peace, Secretary-General Butrus-Ghali expressed gratefulness for Korea's dispatch of an engineer unit to Somalia for peace keeping there.

President Kim told the visitor that his government is preparing to celebrate the 50th anniversary of the United Nations in 1995.

"We hope the U.N.'S 50th anniversary will end not only in an anniversary commemoration but will become the first year of its turn into a more effective world organization," Kim said.

In the evening President Kim hosted a dinner at Chongwadae in honor of Secretary-General Butrus-Ghali.

### **UN Secretary General Comments on Nuclear Issue**

*SK2312150793 Seoul SBS Television Network in  
Korean 1305 GMT 23 Dec 93*

['Special interview' with UN Secretary General Butrus Butrus-Ghali by Kim Kyong-won, former ROK ambassador to the United States and to the United Nations, entitled "Korean Peninsula as Viewed by the United Nations," in Seoul—live or recorded; in English with simultaneous translation into Korean]

[Excerpts] [Kim] First of all, Mr. Secretary General, welcome to Korea. I understand this is not your first visit to the ROK.

[Butrus-Ghali] Five years ago I visited the ROK in the capacity of foreign minister of Egypt. It was a few months before the 1988 Olympics were held in Seoul. [passage omitted]

[Kim] May I ask you about the purpose of your visit to the ROK?



[Butrus-Ghali] The purpose of my visit to the ROK is a goodwill visit. The ROK is a member state of the United Nations. My role as secretary general is to strengthen relations among member states and the United Nations and its member states. Another important purpose of my visit to the ROK is to resolve North-South relations and the issue of inspection of nuclear facilities in North Korea.

As is well-known, the Nuclear Nonproliferation Treaty [NPT] is to be extended in 1995. How the North Korean nuclear issue will be resolved will impact on the issue of extension of the NPT scheduled in 1995 and to the great principle of nuclear nonproliferation.

Therefore, the North Korean nuclear issue is important not only to both North and South of Korea, but also to the whole international community. This issue is also deeply related to the great principle of disarmament and the issue of extending the NPT. As a result, the nuclear issue is not only a regional crisis, but also a crisis of the whole international community. [passage omitted]

Concerning the North Korean nuclear issue, I have not been entrusted with any special mission by the UN Security Council, nor have I received any request from any member state. I will first listen to opinions of the parties concerned based on goodwill and will do my best to realize dialogue between the United States and North Korea and North-South dialogue. [passage omitted]

I do not want insignificant negotiations, just for the sake of negotiating. However, I firmly believe that many problems can be solved and many things can be accomplished through negotiations.

[Kim] You said that you have not been entrusted with any mission by the UN Security Council. However, you held talks with President Kim Yong-sam this afternoon. What message, opinion, or outlook do you, Secretary General, plan to convey to the North Korean president?

[Butrus-Ghali] The message I received from the president and foreign minister, if any, is that they welcome the United Nations playing a role for a solution to the North Korean nuclear issue. I will help promote dialogue and help ongoing negotiations bring about fruition by fully utilizing the authority entrusted to the United Nations. For this, the United Nations will play a catalyst role.

In fact, the United Nations is the only organization where North and South of Korea meet every day and exchange dialogue. Therefore, the United Nations will undoubtedly play an affirmative role in North-South dialogue.

However, dialogue is ultimately up to the parties concerned.

[Kim] But ironically, one of the North Korean diplomats assigned to its mission to the United Nations has been

conducting informal contact with U.S. Government officials. [passage omitted] In order to promote negotiations, may I set up a hypothesis? When you meet with North Korean leaders on 24 December, will you discuss your own view and that of most members of the Security Council concerning the North Korean acceptance of international nuclear inspection?

[Butrus-Ghali] The most important work that I should do is to listen to opinions of the North Korean side. I will candidly listen to the position and demand of North Korea.

If the North Korean side wants me to convey its message, I will gladly do so.

If the North Korean side shows interest in the reaction of the international community, I will convey it in a most objective way. Of course, in the capacity of the UN secretary general, I will convey in any form worries of the international community regarding the North Korean nuclear issue. [passage omitted] I will convey worries and positions of the international community to both sides of North and South Korea. I will also inform the two sides of what the international community can do to solve the North Korean nuclear issue. [passage omitted]

#### **Government Decides Against Butrus-Ghali Mediation**

*SK2312024893 Seoul TONG-A ILBO in Korean  
23 Dec 93 p 4*

[Article by reporter Kim Cha-su entitled: 'Government Position on UN Secretary General Butrus-Ghali's Successive Visits to North and South Korea—Hopes Urgency of Nuclear Issue Will Be Conveyed']

[Text] UN Secretary General Butrus-Ghali is in Seoul for successive visits to North and South Korea at a time when the North Korean nuclear issue remains in a stalemate. His visits attract our attention because his visit to North Korea follows meetings with President Kim Yong-sam and Foreign Minister Han Sung-chu listening to our government position on the North Korean nuclear issue, leading us to speculate that he may play the role of mediator.

However, government officials are wary of noting any particular significance in Secretary General Butrus-Ghali's visit to the ROK regarding the North Korean nuclear issue, for North Korea may use Secretary General Butrus-Ghali's visit to North and South Korea for its own tactics of delaying the solution to the nuclear problem. The government officials began suspecting dubious intentions on North Korea's part as it began to actively push ahead with Secretary General Butrus-Ghali's visit to the North only after Secretary General Butrus-Ghali's ROK visit was confirmed.



Government officials think that North Korea will most likely try to form another dialogue channel with Secretary General Butrus-Ghali despite its continued unofficial contacts with the United States over the nuclear issue. Therefore, North Korea may continue to delay the solution of the nuclear problem by sending different messages through these two dialogue channels.

As a result, the government has decided not to ask Secretary General Butrus-Ghali to mediate between North and South Korea over the nuclear issue. The government plans to ask him to simply convey our government's resolute position over the North Korean nuclear issue to the North Korean leadership. This policy derives from the government's belief that the North Korean leaders, including Kim Il-sung, may not be correctly aware of the international community's opinion over the North Korean nuclear issue. In other words, it is possible that North Korean working-level officials who are conducting negotiations with the United States and the International Atomic Energy Agency, may be unable to correctly convey the particulars of negotiations as well as the reaction of the international community to North Korea's highest leadership because of the rigidity of the North Korean system.

Connected with this, in a meeting with Secretary-General Butrus-Ghali on 22 December, Minister Han pointed out the international community's growing concern over the delay in the resolution of North Korea's nuclear issue. Minister Han asked the Secretary-General to convey the need to resolve the nuclear issue as soon as possible to the North Korean leadership. It was learned that President Kim Yong-sam will convey during Secretary-General Butrus-Ghali's courtesy call on 23 December, the tense situation surrounding the resolution of North Korea's nuclear issue and the fact that the ROK will actively assist North Korea in opening up once the nuclear issue is resolved.

Another reason why government officials are not expecting too much from the Secretary-General's role as mediator is that even if North Korea's nuclear issue is to be handled at the United Nations level, the UN Security Council, not the Secretariat, will deal directly with this issue. In addition, North Korea's consistent claims since the emergence of this nuclear issue that this issue can only be resolved through direct dialogue with the United States, further discounts the significance of the Secretary-General's visit to both South and North Korea.

Nonetheless, attention is focused on the Secretary-General's visit to North Korea because this may be North Korea's opportunity to change its attitude after correctly recognizing the seriousness of the nuclear issue through talks between North Korean leaders and the head of the United Nations.

### **Japanese Reports Denied on DPRK Inspections**

*SK2312023593 Seoul YONHAP in English 0222 GMT 23 Dec 93*

[Text] Washington, Dec. 22 (YONHAP)—North Korea displayed a bit of flexibility on accepting fullscope international nuclear inspection in Monday's working-level meeting with the United States in New York, but did not give a definitive yes, well-informed sources in Washington said Wednesday.

The sources strongly denied Japanese press reports that Pyongyang had offered to accept international nuclear inspection if Washington did not link the nuclear issue to inter-Korean dialogue.

One prerequisite for a third round of Washington-Pyongyang high-level talks is resumption of inter-Korean dialogue, and if North Korea made such proposal it could not possibly be accepted, the sources said.

While reiterating that the International Atomic Energy Agency (IAEA) had no right to inspect nuclear reactors and reprocessing facilities in Yongbyon, the communist regime is said to have presented a set of proposals that left room for concessions in Monday's meeting.

Because there is a possibility that North Korea may agree to fullscope nuclear inspection with more talks, Washington will continue contacts with Pyongyang after preliminary consultations with Seoul, the sources said, hinting the North Korea-U.S. nuclear talks are heading in an optimistic direction.

North Korea is said to have urged settlement of the matter of holding a third round of bilateral talks with the United States simultaneously with suspension of the Seoul-Washington joint military drill "Team Spirit" in a recent meeting in New York.

The Stalinist country proposed earlier in the month that it accept inspection in five nuclear sites of seven in Yongbyon registered at the IAEA and allow replacement of film in the two highly suspected sites.

### **Newspaper Comments on DPRK Counterproposal**

*SK2312071493 Seoul THE KOREA TIMES in English 23 Dec 93 p 6*

[Editorial: "Pyongyang's Counterproposal"]

[Excerpts] North Korea has once again returned the nuclear ball into the American court, with its new counterproposal that the conditions submitted by the two sides should be implemented simultaneously. Both South Korea and the United States seem to be taking the new Pyongyang overture as a step forward. [passage omitted]

Although details of the latest North response have yet to be fully disclosed, it is clear that Pyongyang refused to fully accept these conditions as they are, but indicated it would comply with the requested nuclear inspections on



a set of conditions apparently characterized by a renewed demand for the improvement of bilateral relations.

In actuality, this represents no substantial change in the North Korean attitude, at the same time as it is a positive expression of readiness to grapple with the inspection of the two suspected nuclear sites, which it had categorically refused to discuss at any bilateral or international negotiation table.

From this standpoint, Washington and Seoul may well share the view that the Pyongyang counterproposal could be considered together by the two countries as well as other allies, on the assumption that the North still has some intention to settle the nuclear problem through negotiations.

Insofar as the Pyongyang leadership shows willingness to make concessions on the nuclear issue, the allies can pursue dialogue with it with patience and restraint, on the ground that any hasty action, military or economic, could result in disaster for the Korean people, as two former American ambassadors to Korea, Donald Gregg and James Lilley, warned recently.

However, the U.S. needs to be wise enough to discern what we are again seeing is North Korea's hackneyed delay tactics which have so far been effective in preventing any kinds of sanctions at all by the U.S. and the United Nations Security Council for a period of several years.

If and when Washington accepts the new North Korean proposal for political and nuclear talks as a package, the possibility will grow that their bilateral negotiations will be protracted for much longer, with any international sanctions precluded and the North allowed to go ahead with its nuclear program, if it really exists.

In this situation, it is once again recommended that future negotiations, if resumed, should be conducted with a clear-cut deadline and sanctions specified and properly conveyed to the Pyongyang side, lest they again be exploited as part of the North's nuclear strategy.

#### **Optimism Seen After DPRK-U.S. Contact**

*SK2312022693 Seoul YONHAP in English 0214 GMT  
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—Seoul officials said Thursday they remained optimistic of a breakthrough in the North Korean nuclear impasse after another Pyongyang-Washington contact in New York the same day.

One official, declining to be identified, said that a North Korea-U.S. high-level contact for a third round of nuclear talks may be agreed on next month.

Confirming the New York contact early Thursday morning, the officials said that the United States demanded North Korea accept inspections acceptable to

the International Atomic Energy Agency (IAEA) and necessary to continue IAEA safeguards.

It also demanded resumption of inter-Korean dialogue on the nuclear issue and meaningful negotiations, they said.

The U.S. side made it clear that the demands were preconditions, they said.

"You could say there are forward movements," said one official.

The very fact that the contacts are occurring quickly signifies that the differences between North Korea and the United States are "not very big," he said.

The two sides met on Monday with North Korea's response to the two demands by South Korea and the United States. The response was rated as positive by both Seoul and Washington, though not enough.

Ho Chong, deputy chief of the North Korean mission to the United Nations and the representative at the New York contact, said he suggested "simultaneous steps" in meeting demands of both sides.

Pyongyang reportedly suggested accepting overall IAEA inspections on all of its declared sites instead of limiting them to handpicked facilities in exchange for suspension of the South Korea-U.S. joint military exercise Team Spirit and the scheduling of the third round of high-level talks.

#### **Editorial on Deputy Prime Minister for North**

*SK2312120493 Seoul HANGUK ILBO in Korean 23  
Dec 93 p 3*

[Editorial: "The Policy on the North Must Be Carried Out Through One Voice"]

[Excerpts] When considering the fact that the recent large scale cabinet reshuffle was to strengthen international competitiveness through openness and to become an advanced country, the replacement of Han Wan-sang, the former deputy prime minister in charge of reunification, who tends to be a progressive, was somewhat unexpected. Nevertheless, President Kim Yong-sam replaced him with Yi Yong-tok. The civilian-led government's policies on the North and reunification will now have a traditionally conservative slant. Such a replacement is also explained as an intention to revise its strategic policy on the North. This is to prepare for the South-North dialogue, which is expected to be resumed on a full-scale basis next year when North Korea's nuclear issue is resolved. In a nutshell, the replacement of the deputy prime minister in charge of reunification is to clearly and consistently carry out the policy on the North, which has confused the people in the past. [passage omitted]



Deputy Prime Minister Yi Yong-tok must put into practice the following principles in connection with the South-North dialogue and preparatory work for reunification.

First, whatever happens there must be no complaints and confusion among the reunification-related ministries in connection with the policy on the North. There can be heated arguments in the process of establishing policies and strategies but once a decision is made and is adopted it must be carried out through one voice.

Second, disputes over the policy initiative on the North must also be wiped out. The Agency for National Security Planning [NSP] must gather and analyze information on North Korea and reunification, the Ministry of the Board of National Unification must be in charge of dialogue, and the Foreign Ministry must be in charge of foreign relations. It is urgent to share work and achieve close cooperation among the NSP, the Ministry of the Board of National Unification, and the Foreign Ministry.

Third, the ministries and departments involved must not promote the reunification issue emotionally to achieve popularity or compete among themselves for the sake of winning credits. Even though it takes time, North Korea must be persuaded to secure nuclear transparency. Then assistance on food, oil, and electricity must be given. Also, we must make North Korea firmly believe that the South will actively promote economic cooperation.

Fourth, the basic principle of the reunification policy must be firmly maintained. The wisdom of flexibly carrying out the strategy on the reunification policy from a broad point of view is necessary, which is in conformity with the changing international situation and reunification.

In conclusion, the content of the reunification policy should be announced to the people, if possible, and it must be promoted based on the people's consent.

#### **President Announces DLP Reshuffle**

*SK2312012793 Seoul KBS-1 Radio Network in Korean 0114 GMT 23 Dec 93*

[Text] President Kim Yong-sam announced a leadership reshuffle of Democratic Liberal Party [DLP] this morning. Following are the details:

Secretary-General of the DLP: Assemblyman Mun Chong-su;

Floor Leader: Assemblyman Yi Han-tong;

Chairman of the Policy Committee: Assemblyman Yi Se-ki; and

Spokesman: Assemblyman Ha Sun-pong.

#### **Reasons for Party Reshuffle Analyzed**

*SK2312093993 Seoul YONHAP in English 0804 GMT 23 Dec 93*

[By Cho Se-hyon]

[Text] Seoul, Dec. 23 (YONHAP)—The reshuffle of three major Democratic Liberal Party (DLP) posts was an unmistakable move by party President Kim Yong-sam to solidify his power base in the ruling party.

One of the messages that came through loud and clear from Thursday's personnel changes in the DLP was that Kim wanted to position "his men" in front to push party reform without upsetting the power balance.

Another signal is that there will be an attempt, in the not-too-distant future, for a new personnel alignment within the present framework of the party.

What is most obvious, however, is that President Kim carried out the party reshuffle in the same vein as that of the cabinet on Tuesday and senior presidential secretaries on Wednesday.

Kim placed Choe Hyong-u, his closest confidant, at one of the important posts of the cabinet, home affairs minister, while naming two other right-hand men, So Chong-won and Kim U-sok, first state minister for political affairs and construction minister, respectively.

Another long-serving protege, Yi Won-chong, vice information minister, was appointed senior presidential secretary for political affairs and Rep. Mun Chong-su, secretary-general of the DLP. Although he has not had brilliant public exposure, there is no one who could dispute that Mun is "a Kim Yong-sam man."

President Kim's initial attempt at party reform through Choe Hyong-u was frustrated by an unexpected interlude in which Choe had to stay low following the expose that his son had entered a university illegally.

Party reform efforts were stalled for a while with the succession of Hwang Myong-su as secretary-general. Reform, however, will pick up a full speed, no doubt, with Mun at the helm of the party.

The president's intention on this score becomes apparent in reports that there was a tug-of-war between Kim Yong-sam and Kim Chong-pil, chairman of the party.

Kim Chong-pil wanted a member of the Democratic Justice Party faction to replace Hwang, but he could not prevail over President Kim, according to the reports.

Mun, a three-term representative, is relatively junior to many multi-term elder lawmakers within the party. Yet the president brought him to the post from where he is to command all but Kim Chong-pil and carry out orders, mostly on reform, from Chongwadae [presidential office].



To that extent, sources say, President Kim is determined with his intention to reform the party.

In other words, President Kim, through three days of reshuffling, has set up a tripartite system linking Yi Won-chong in the presidential secretariat, Choe Hyong-u in the cabinet and Mun Chong-su in the ruling party.

Members of the Democratic Justice Party faction, or Minjung, which is the largest group in the DLP, could not hide their disappointment that one of them did not become DLP secretary-general.

But they could not underevaluate the efforts to maintain the balance among three factions in the DLP when Kim Chong-pil is left in his position as chairman of the party, and two other party posts, chairman of the policy committee and floor leader in the National Assembly, were filled with Minjung faction members.

It is especially significant that Rep. Yi Han-tong, a senior member of the Minjung (DJP) faction, was appointed floor leader, as it shows efforts to smooth down factional infighting.

Although it is obvious that Thursday's party post reshuffle carries with it a strong presidential will for reform, some nevertheless point out that the party leadership is not "strong enough."

The party leadership appears especially weak when it is compared with the cabinet, which is led by such men of conviction and strong will as Prime Minister Yi Hoe-chang, Deputy Prime Minister Chong Chae-sok and Home Affairs Minister Choe Hyong-u.

Secretary-General Mun, in particular, has never been tested in the top party post and his driving force is in doubt.

That is precisely why some observers suspect that President Kim has another design. Namely, the president has put the main engine in the cabinet to pull the party and all political issues.

Others speculate that the new lineup for the party leadership is tentative until next May, when the ruling party is scheduled to hold a national convention and another large-scale reshuffle is inevitable, including the replacement of Chairman Kim Chong-pil.

It has been reported that President Kim had planned to overhaul the party structure in February, timed with the first anniversary of his inauguration as president of the country. But he had to reshuffle it Thursday because of recent developments including a crisis brought on by rice market opening.

#### **New Senior Presidential Secretaries Profiled**

SK2312123193 Seoul CHOSON ILBO in Korean  
23 Dec 93 p 2

[Text] Yi Won-chong, senior presidential secretary for political affairs:

Yi played the role of spokesman for President Kim Yong-sam for more than 20 years with a sense of devotion. Yi is one of the closest associates of the president. With a unique power of fraternity, he is well-known among journalists as a busy, diligent "mediator." By waging fierce debates based on his sharp logic against opposition parties during the 14th presidential election, Yi rendered distinguished service for Kim. Yi joined political circles by becoming Kim's press secretary, replacing Assemblyman Kim Tok-yong, in the early 1970's. Yi ran for the National Assembly during the 13th and 14th general elections from Kangso District, but was defeated successively by only a 1,000 votes. Yi is a nephew of Kim Myong-yun, adviser to the Democratic Liberal Party [DLP]. Yi has one son and one daughter with his wife, Yi Pong-suk, (49). Yi, 53, is from Samchok, Kangwon Province. He graduated from the Economic Department of Korea University. Yi was formerly press special assistant to the president of the Unification and Democratic Party and deputy spokesman for the DLP.

Chu Ton-sik, senior presidential press secretary:

He was nominated as senior presidential secretary for political affairs during the inauguration of the new government and has been in this position until the current reshuffle in which he was appointed as senior press secretary in the presidential office. He is known not to be self-important, but works quietly. Accordingly, he is devoted to his work, without being dragged into problems between factions in the ruling sphere.

Since he joined CHOSON ILBO in 1965, he worked as a political affairs reporter, and demonstrated outstanding news coverage ability and talent in writing.

He is from Chonan, South Chungchong Province, and 56 years old. He graduated from the Teachers College of Seoul University and studied at Harvard University. He was formerly director of the editorial bureau and was an editorial writer at CHOSON ILBO.

Yi Ui-kun, senior presidential secretary for governmental affairs:

Yi became junior secretary in Chongdo county office, North Kyongsang Province, in 1961. Since that time, Yi made step-by-step promotions over 30 years in the Ministry of Home Affairs. Yi was appointed as governor of North Kyongsang Province last March, thus returning home in glory. But Yi was again honored after only nine months by being promoted to senior presidential secretary. As a sincere Christian, Yi is known as very prudent figure. He does not resist his superiors, while maintaining harmonious relations with his subordinates. As director-general of Administration Bureau in the Ministry of Home Affairs, he satisfactorily carried out work related to local assembly elections on two occasions. The amount of his reported properties is 488 million won. Yi, 55, is from Chongdo, North Kyongsang Province. Yi graduated from the Economics Department, Yonnam University. Yi was formerly mayor of Puchon and



Anyang, Kyonggi Province; director-general of Administration Bureau and head of the Planning Division in the Ministry of Home Affairs, and governor of North Kyongsang Province.

Choe Yang-pu, senior presidential secretary for agriculture, forestry, and fisheries affairs:

Choe is known as an expert in Uruguay Round affairs in government and academic circles. Choe participated in planning and readjusting the agricultural structure on many occasions and since 1990 has served as vice director of Rural Economic Research Institute. He has visited Geneva on 13 occasions as a government delegate to Uruguay Round negotiations on agriculture. Choe worked as adviser to Cho Kyong-sik, then minister of agriculture. Choe was nominated as a member of the government delegation and attended recent negotiations to open rice markets. Choe is known as a man who raises problems voluntarily and positively carries out work and strives to solve problems. Choe, 48, is from Kwangju, South Cholla Province. A graduate from the Agricultural College of Seoul University, Choe holds a doctoral degree in rural economy from Missouri University. Choe was formerly senior researcher and vice director of the Rural Economic Research Institute.

#### **Kim Yong-sam Meets Cabinet, Views North**

*SK2312021293 Seoul YONHAP in English 0144 GMT  
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—President Kim Yong-sam, saying he has the feeling that “people around me are lax,” urged members of his cabinet and presidential aides Thursday to tighten up and make a fresh start.

“Let’s take this opportunity to achieve the second nation building with firm resolve,” Kim told a breakfast meeting of members of the newly formed cabinet and senior presidential secretaries at Chongwadae [presidential offices].

Although Tuesday’s change in the cabinet lineup took the form of a reshuffle, it actually had the character of forming a new cabinet since the prime minister and 14 posts, including both deputy prime ministers, were replaced, Kim said.

“It’s your responsibility to bring our country into the ranks of advanced nations, taking the best advantage of your opportunity with the conviction that we shouldn’t lag behind in the age of internationalization and openness,” Kim said.

“A chance never comes twice,” the president said. “And therefore, if we fail to grab the chance, we will fall behind for good.

“We should do our best to rescue our farmers and farms, taking the maximum advantage of the position we find ourselves in the wake of the conclusion of the Uruguay Round,” Kim said.

What is important for the government is how to make a new start as well as how to inspire the people with hope and courage, the president said.

“Do not forget, for one moment, that you are here to serve the people,” Kim told the cabinet ministers and aides. “Ease the government regulations as much as possible, so that we can take a path toward winning the competition in globalization and internationalization.”

The president also told his cabinet to try and prevent large man-made disasters and reduce accidents that claim lives. The protection of lives and property should be the top priority for the government, he said.

On the North Korean problem, Kim said, “we are at an absolutely crucial point where we have to stop North Korea’s nuclear program at any cost.”

Past administrations had used national security for maintaining power, claiming North Korea was threatening to attack the South in the coming season, Kim said.

Those unmaterialized threats over the long run unwound the people’s awareness of the need for national security, Kim said.

“We have to make our best efforts for the survival of the 70 million Korean people and the security of the Korean peninsula,” he said.

“Since the North Korean nuclear issue is important, a means to directly communicate between (South) Korea and the United States has been established.”

The North Korean problem is “our problem,” Kim said, “and that is why we have to be ready to take responsibility and exercise the right to make our own decision.”

Referring to his administration’s efforts to eradicate corruption, Kim said that cabinet ministers have to be cleaner than anyone else.

“It is impossible to imagine any cabinet minister getting involved in a corrupt practice,” Kim said, adding that he would never forgive them if they did.

#### **More on Meeting Cabinet**

*SK2312082193 Seoul THE KOREA HERALD in  
English 23 Dec 93 p 2*

[Text] President Kim Yong-sam said yesterday [22 December] his new cabinet should do its utmost to ensure the nation will emerge as a winner in what he called unlimited international competition.

“The most important task for the new cabinet is to win in the fields of economy, science and information by coping with the global trend toward internationalization and liberalization,” he said.

President Kim enunciated the goal for his second cabinet, formed Tuesday [22 December], at Chongwadae



[presidential office] as he handed letters of appointment to 14 new cabinet ministers, including Deputy Prime Ministers Chong Chae-sok of the Economic Planning Board and Yi Yong-tok of the National Unification Board.

"The new cabinet is facing the task of pursuing reform and change ceaselessly and staying one step ahead during the rapid changes taking place in the world," Kim said.

Kim reminded the new cabinet ministers that when he was inaugurated President he had promised to the people that he would not receive any political funds under any circumstance.

"This promise is very important," said Kim, urging the new cabinet members to forget their personal interests in carrying out their duties.

"You can be imposing only when you are clear of any wrongdoing."

He said he will never tolerate those cabinet members who sit idle, while forgiving any mistakes one makes while working actively with an unselfish motive.

The President especially emphasized that the new cabinet should concentrate its efforts on reviving rural areas and establishing stable labor-management relations.

"The cabinet should work out measures to prevent the farm villages, the spiritual home of most Koreans, from collapsing following the opening of the domestic agricultural markets," he said.

Stressing the importance of keeping peace in industrial relations, the President urged related ministers to undertake thorough preparations to eliminate labor disputes in the future.

Noting that the nation has been suffering a trade deficit in recent years, Kim said the new cabinet should try to turn the trade account into the black in the remaining days of the year.

The President also told new Defense Minister Yi Pyong-tae to make a thorough investigation into a fraud involving the purchase of artillery ammunition to clear up public suspicion.

"It is totally intolerable that the arms deal fraud, which occurred under the former government, was concealed for more than a year, even to the President (Kim himself), the commander-in-chief of the Armed Forces," Kim said.

President Kim is scheduled to have a breakfast meeting with the entire cabinet, including Prime Minister Yi Hoe-chang, this morning, where he is expected to put forth the direction and guidelines of the policies to be implemented by the second cabinet of his administration.

**Daily Profiles New Economic Planning Minister**  
*SK2312081293 Seoul THE KOREA TIMES in English*  
23 Dec 93 p 8

[By staff reporter Sa Tong-sok]

[Text] "A scholastic workaholic rich in logic and theory." This is a short phrase quoted by the Korean press to describe Chong Chae-sok shortly after he was appointed as deputy premier-economic planning minister in Tuesday's Cabinet reshuffle.

Chong, who came into the spotlight after a 13-year seclusion from the public, is now tasked to lead his economic team to steer the nation out of the protracted economic doldrums toward globalization.

Strangers may feel as if he were a short, white-haired country gentleman but a short debate with him forces them to feel that he is a man of logic with abundant scholastic background.

Chong, 63, is evaluated by many analysts as being highly specialized in economic matters as his career as a genuine technocrat clearly demonstrates.

Chong, born in Changsu, Cholla-pukto, in 1930, he started his public service in the Ministry of Reconstruction (the predecessor of the present Economic Planning Board [EPB]) in 1957.

Chong has since made a fast climb up the bureaucratic ladder thanks to his inborn integrity and energetic work style by taking over various key posts in the EPB, Transportation and Construction Ministries.

During his stint as a director general for economic planning at the EPB, he got good marks from then president Pak Chong-hui for his brilliant briefing skill.

His successful march in the bureaucratic world came to an abrupt halt in 1980 after then president Pak was assassinated. Chong, who was serving as minister of trade and industry at that time, was forced to relinquish his post after refusing an order from the new military power-house headed by Gen. Chon Tu-hwan to sack many of his officials at the Trade-Industry Ministry. He was the only government minister to be purged by the military rulers.

Since then, he has been away from public posts for nearly 13 years while lecturing at Hanguk University of Foreign Studies, before he was appointed as transportation minister by President Kim Yong-sam two months ago.

His climb to the top economic post has already been speculated even when he was picked up as the transportation minister, analysts say. He was reportedly among a handful of strong candidates for the top economic policymaker in February, when President Kim formed his first Cabinet.



But he was dropped from the first Cabinet list apparently because he shared the same hometown of Cholla-pukto with Hwang In-song who was then picked as prime minister.

Chong's acquaintances say he prefers to be called a scholar or an economist but this fact does not necessarily underestimate his ability to lead the economic team, analysts say.

Chong, who dislikes formalities, has a realistic view of the economy. He diagnoses that the Korean farming sector should be transformed into a corporate farming under which farmers will be paid salaries like industrial workers.

He also advocates full-blown autonomy in the private sector. "Government intervention tends to aggravate economic efficiency and therefore the government should hand much of its authority to the private sector," he said.

He went on to say that the government should lift administrative red tape imposed on the private sector in a "reformist" way.

Critics cast doubt on his capability as a man adaptable to the government's strenuous globalization drive. But his advocates say he is to the task, given his various stints after quitting the public circle.

Chong, who obtained a masters degree in business administration in Vanderbilt University of the United States, studied the advanced management program in Harvard. In addition, he himself established institutes specializing in international affairs. By most accounts, Chong's taking the helm of the economic team portends a change in styles of managing the national economy.

#### **Daily Analyzes Cabinet's New Economic Team**

*SK2312044793 Seoul KYONGHYANG SINMUN in Korean 22 Dec 93 p 2*

[Article by reporter Pak Myong-hun: "Colors of the New Economic Team"]

[Text] The new ROK cabinet's economic team is characterized by the appointment of Chong Chae-sok, a man capable of resolving difficult tasks and an economic specialist, as deputy prime minister and minister of the Economic Planning Board and the non-replacement of the finance minister and the trade and industry minister, who are heads of the two most important economic ministries.

We can say that this economic team intends to resolve numerous economic difficulties by tackling them head-on in the rapidly changing international economic environment while retaining major economic policies, and that they will pursue both "change and stability."

Given Deputy Prime Minister Chong's "characters," he will surely have a more powerful grip on the economic

team. This speculation is supported by the fact that old and new economic ministers are well versed in actual affairs and are inclined to speak out.

Tasks facing the new economic team are heavy and diverse. Agriculture, the immediate cause for the cabinet reshuffle, is the most urgent task.

Coping with the new global economic order symbolized by the conclusion of the Uruguay Round and improving the competitive edges of our industries along international standards are tasks that should not be delayed.

We must continuously pursue economic reforms and revive the economy.

While the chief of the economic team was newly appointed, the finance minister and the trade and industry minister were not replaced because President Kim felt the need to continually enforce such economic reform measures as the real-name financial transaction system in order to cope with the agreements of the Uruguay Round negotiations and the era of opening up.

The future of the economic team composed of old and new officials depends on Deputy Prime Minister Chong's actions.

Deputy Prime Minister Chong's acquaintances say that he is a strong leader who pursues principles and perfection. Therefore, the Economic Planning Board will exert a strong influence on coordinating economic policies.

It is very likely that bold policies may be presented on such delicate pending issues as foreign trade, agriculture, and the easing of administrative restrictions. Policies will be implemented with thorough consistency.

People wondering whether despite his short term as transportation minister, he will be able to overcome the 13 years of absence from government office and whether he will be able to prevent his strong leadership from becoming self-righteous, remain.

Both Agriculture, Forest, and Fisheries Minister Kim Yang-pae and Construction Minister Kim U-sok are close confidants of President Kim and while they are not complete strangers to their jobs—Minister Kim Yang-pae was an official of the Home Ministry and Minister Kim U-sok was president of the Korea Land Development Corporation—they have little experience at their respective jobs.

The former economic team led by Deputy Prime Minister Yi Kyong-sik brought about important achievements in pursuing a new economy in a short period of time by implementing the real-name financial transaction system, liberalizing interest rates on two occasions, easing administrative restrictions, and leading big business groups towards the selection of specialized lines of business.

However, some people say that the old economic team attached importance to teamwork, merely followed the



lead of the Chongwadae [presidential office] economic team, presented no opinion of its own, and was powerless. A lethal blow was dealt to the old team when it failed to revive the economy and was ineffective in tackling the rice market issue.

The new economic team has the heavy task of responding to the wave of internationalization and opening up, reviving the economy, and improving our competitive edge. It must prove itself capable by building the popular consensus to carry out this task.

### **Opposition Protests Kim's 'Grip on Power'**

SK2312083893 Seoul *THE KOREA TIMES* in English  
23 Dec 93 p 2

[Excerpt] The opposition Democratic Party yesterday [22 December] geared up an offensive against President Kim Yong-sam, taking issue with the just-conducted cabinet reshuffle.

Party spokesman Pak Chi-won said, "We can define the cabinet formation as being aimed at fortifying President Kim's grip on power with the appointment of close confidants. It is an action far from his slogan of internationalization and openness, and ignores capability and expertise."

He said party chairman Yi Ki-taek also had expressed strong dissatisfaction over the new cabinet lineup, saying, "There is nothing happening in the new cabinet."

The party gave especially low marks to the naming of new deputy premier-unification minister, home minister, defense minister, education minister and agriculture, forestry and fisheries minister.

He said the change of unification minister will pour cold water on inter-Korean relations with the replacement of progressive Han Wan-sang.

With regard to the naming of Choe Hyong-u as home minister, the party said it would keep an eye on how the hardline new home minister will deal with the upcoming local elections slated for 1995. He stressed the elections need to be free of involvement from the government authorities.

As to the appointment of the new defense minister, the party revealed worry that the ongoing reform drive in the military camp will be set back because the new minister is from 'Hanahoe,' a private clique made up of close associates of former presidents Chon Tu-hwan and No Tae-u.

"It is worrisome that the new minister can carry out reform in military circles especially at this time when the military needs purification in connection with the Yulgok arms modernization project and recent arms procurement fraud case," he said. [passage omitted]

### **Government Dispatches Military Attaches to Beijing**

SK2312084393 Seoul *YONHAP* in English 0806 GMT  
23 Dec 93

[Text] Seoul, Dec. 23 (YONHAP)—The government dispatched three colonels and a lieutenant colonel as military attaches to the South Korean Embassy in Beijing on Thursday.

Foreign Minister Han Sung-chu and his Chinese counterpart, Qian Qichen, agreed on exchanging military attaches when they met in Beijing in October.

### **Korean Mission in Geneva Needs Specialized Envoys**

SK2312083193 Seoul *THE KOREA TIMES* in English  
23 Dec 93 p 2

[Text] Korea needs two additional ambassadors in Geneva to handle the growing number of issues at United Nations bodies and other international organs there, Ambassador to Geneva Ho Sung said.

One ambassador is needed to deal with military armament issues and another to deal with post-Uruguay Round [UR] affairs. The third and senior ambassador should be in charge of key issues and general affairs, the envoy told reporters.

Ho returned home Monday [20 December] to report UR results and their prospects to President Kim Yong-sam and other key cabinet members.

Ho said, "More than 200 world bodies and offices of U.N. organizations are in Geneva, let alone non-government world bodies. Most multilateral issues in Geneva are closely related to the national interest."

For example, while military armament issues take up only one or two months during the General Assembly meeting of the United Nations in New York, they are discussed in detail all the year round in Geneva, he noted. "Without detailed and correct knowledge, ambassadors can hardly discuss issues with partners."

When inter-Korean issues are resolved, the government will be required to actively participate in military armament talks to maintain permanent security and peace on the Korean peninsula as well as in the world, a Foreign Ministry official said.

A considerable number of countries, including the United States, Japan, India and Colombia, have already stationed three ambassadors in Geneva for this reason, Ho explained.

"Our government needs to consider sending two more ambassadors to Geneva at least in the near future," he said.



All the countries will be busier in Geneva on follow-up measures to the successful end of the Uruguay Round talks, he noted.

"I had to have a full understanding of all the contents of the 350-odd-page UR draft final agreement to negotiate with other partners. There were many unofficial talks where I had to make decisions at the negotiation table alone," he said, recalling the difficulties in the Uruguay Round negotiations during the second half of this year.

"It is quite different from other international meetings where chief delegates, including ambassadors or ministers, simply deliver keynote speeches," he said.

Such ambassador-level negotiations are expected to be more frequent in the future as most issues are complicated unlike in the past and closely affect national interests, he noted.

Ho moved to the post of the representative of the mission to Geneva from the assistant foreign minister-ship for economic affairs last April.

Now, a total of 14 diplomats work at the mission to Geneva, the nation's sixth largest overseas one, following those in Japan, the United States, New York where the United Nations is headquartered, China and Russia. Ten officials from other government agencies, including the Trade, Industry and Resources Ministry, had been working there on a temporary basis to prepare for the Uruguay Round talks.

### Defense Minister Questions Senior Officials

SK2312090293 Seoul YONHAP in English 0837 GMT  
23 Dec 93

[Text] Seoul, Dec. 23 (YONHAP)—Defense Minister Yi Pyong-tae more than expressed his intention to carry out a sweeping reform of the military on Wednesday by giving senior generals a hard time in his first meeting with them.

In his first encounter with senior ministry officials, the joint chiefs of staff and Defense Security Command [DSC], the atmosphere was little different from a courtroom.

In front of journalists, who were unusually allowed to attend, 56-year-old Yi questioned the officials, one by one, about the incident in which the Defense Logistics Agency was defrauded of 6.7 million U.S. dollars in an arms deal.

Saying that he would ask some questions "on the basis of common sense," he grilled Agency Chief Gen. Yi Su-ik.

"How could the fraud case have been concealed for such a long time if the checking system inside the Ministry had been operated normally?" was his first question.

The minister asked the officials quietly but sharply about the case, cooling the atmosphere in the room until it was as cold as the bitter winter weather outside.

He wanted to know how the Defense Logistics Agency, which was inaugurated 20 years ago, could be operated so loosely in an age of computers.

He asked Gen. Yim Chae-mun, DSC commander, when the DSC knew of the fraud and what it did about it, and asked the chief of the Armed Forces Special Inspection Group (AFSIG), Gen. Chang Pyong-yong, what the AFSIG did to prevent or probe the case.

The generals had a hard time answering the minister's questions.

Shortly after he was appointed defense minister on Wednesday, Yi said there would be no abrupt or sweeping reshuffle of key military officers, but that the Korean military had to carry out its reform thoroughly and completely as demanded by the age.

### Defense Minister: Troop Movements Need Advance Approval

SK2312072593 Seoul SEOUL SINMUN in Korean  
23 Dec 93 p 2

[Text] On 22 December, newly appointed Defense Minister Yi Pyong-tae ordered that "henceforth, all movements of troops, including all movements in and out, transfers, and changes of troops, will be approved in advance by the defense minister and that relevant troop commanders should abide by this order without exception."

That day, Defense Minister Yi held a joint greeting meeting attended by senior generals from the Ministry of National Defense [MOND], the Joint Chiefs of Staff, and the commands of the three services of the armed forces upon his appointment. He said, "Establishing the command system and the discipline of each soldier is imperative for the Army to garner the people's confidence."

Minister Yi also said, "There will be no sudden and major personnel action in military leadership," thus clarifying that the present military leadership will be maintained for the time being.

Defense Minister Yi apparently made this remark to prevent speculation and restlessness regarding personnel action that may be deemed unavoidable considering his junior status. Graduating in the 17th class of the Korean Military Academy, Defense Minister Yi is one year junior to Chairman of the Joint Chiefs of Staff Yi Yang-ho (8th class of the Air Force Academy), and 1st Assistant Minister of Defense Yi Chung-hyong, and is of the same seniority as Army Chief of Staff Kim Tong-chin, Air Force Chief of Staff Cho Kun-hae, and Yi Chong-nin, the Defense Ministry's director of Policy and Planning.

Defense Minister Yi then gave instructions for the MOND, the headquarters of the three services of the armed forces, the army commands, and the units of the armed forces, to each compose, irrespective of rank, a



team of ten to study ways to reform the military, and to report the results in 10 days.

Referring to the case of fraud in arms purchasing, Minister Yi said, "We will conduct a thorough investigation of the case in order to eliminate all suspicion. Fraud is largely caused by loose organization and management, and we can hardly garner the people's confidence with the present system." He thus hinted that a major overhaul of the management of military organizations may soon follow.

#### **Two Officers Arrested for Arms Deal Fraud Case**

*SK2312094193 Seoul YONHAP in English 0808 GMT  
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—The military prosecution arrested two more officers in connection with a 6.7 million-U.S.-dollar arms deal fraud involving the Defense Logistics Agency (DLA) on Thursday.

They are civilian employee Hong Kol-hui, 54, a former foreign procurement bureau chief of the DLA, and Navy Capt. To Chong-il, 46, a former section chief of the foreign procurement bureau of the DLA.

Hong was charged with taking bribes totaling 37 million won from local agents of foreign arms dealers between April 1989 and December 1990.

To is suspected of neglect of duty for failing to check a bill of lading on 90mm ammunition sent by the commercial Bank of Korea before paying 1.33 billion won to FEC [French arms dealer] for nonexistent arms in May 1991.

They brought the total arrested in the case to four.

#### **Prosecutors Investigate Accounts**

*SK2312081093 Seoul THE KOREA TIMES in English  
23 Dec 93 p 3*

[Text] Military prosecutors investigating the controversial arms deal swindle confiscated bankbooks possessed by the family members of Army Col. Yun Sam-sung, former chief of the 2nd Overseas Procurement at the Defense Logistics Center (DLOGC), and Yi Myong-ku, a civilian employee at the logistics center, Tuesday [21 December] to look into the savings bank accounts of the two acquisition officials.

Yun and Yi were arrested Monday on charges of malfeasance and dereliction of duty for causing the DLOGC to be cheated out of 5.3 billion won (6.67 million U.S. dollars) by EFICO and FEC, both French arms dealers, over the past two years.

Hong Sun-ki, a senior military prosecutor, explained that the confiscation of the bankbooks was needed in determining whether or not Yun and Yi might have had any financial dealings with Chu Kwang-yong, representative of Kwangjin Trading Co., a local arms broker or with Jean-Rene Fuan, owner of EFICO.

He said that the military prosecution would also receive a statement from former Defense Minister Kwon Yong-hae on the procurement of artillery shells, if considered necessary for investigation.

Kwon was replaced by Yi Pyong-tae as the defense minister Tuesday.

It is possible for the two DLOGC officials to have had financial dealings with arms brokers, particularly with Chu, he said revealing the probing prosecutors have found that Fuan withdrew 6.67 million dollars from the Paris branch of the Korea Exchange Bank (KEB).

Chu fled stealthily to the United States last Wednesday the moment the fraudulent arms deal surfaced.

The military investigators will thoroughly review relevant information and materials from the Seoul District Prosecutor's Office upon taking them over from the regional law-enforcement authorities today, Hong said.

They will summon related officials of the KEB and the Commercial Bank of Korea (CBK) and Min Kong-on, representative of Naewae Trading Co., a local arms broker in Seoul, to question them about the arms deal fraud, for which the government sacked the defense minister.

In a related development, the KEB's Paris branch said it had found that Fuan remitted all of the 6.67 million dollars to an unidentified bank in Luxemburg.

Meanwhile, Fuan was known as a son of independence fighter Hong Chae-ha, who raised money in France for the independence movement during the Japanese colonial rule over Korea.

Born in Yongin, Kyonggi-to in 1897, Hong went to Paris in 1921 to raise money needed for promoting the independence movement, and he married an unnamed French woman.

A high school graduate, Fuan was learned to have been engaged in arms brokerage after a short stint in foreign trading in Japan, Hong Kong and Africa.

#### **Details on Arms Swindle**

*SK2312075993 Seoul THE KOREA HERALD in  
English 23 Dec 93 pp 3, 4*

[Text] French arms dealer Jean-Rene Fuan, the central figure in the \$6.7 million arms swindle involving the Korean Defense Ministry, is a son of a Korean independence fighter.

Ministry sources and local news reports said yesterday [22 December] that Fuan, 55, still a largely unknown figure, is the son of Hong Chae-ha, who joined the Korean independence guerrilla fighters in the early 1920's.



Hong then went to France and provided financial support for the independence fighters. Hong married a French woman in 1926, raised five children and died in 1960.

Sources at the Seoul District Prosecutor's Office said Fuan was seen in Paris Tuesday [21 December].

Meanwhile, officials of the Korea Exchange Bank (KEB) were quoted as saying to prosecutors that Fuan and his secretary, known as Caroline Gomez, withdrew a total of \$6.7 million from the bank's Paris branch on three different occasions in May 1991 and last December using forged bills of lading.

Before withdrawing the money, Fuan appeared with Chu Kwang-yong, a South Korean arms broker, at the KEB Paris branch and submitted forged bills of lading and other documents on the fake shipment of artillery shells for the South Korean Defense Logistics Agency, the bank officials were quoted as saying.

Their testimony ran counter to Fuan's allegation that he had not withdrawn the money from the bank. Fuan, whose nationality is presently unknown, has also alleged that he "was doing some other business for the Korean Government."

Since the fraud surfaced in July, Fuan twice telephoned both the Defense Ministry and a Seoul daily.

He called the military attache at the Korean Embassy in Paris Nov. 10, claiming to be in Russia, and again Nov. 16, this time purportedly from a Dubai hotel in the United Arab Emirates, to say that he was not fleeing but was "trying to settle accounts" with the Korean Defense Ministry.

The calls were in response to a request for a meeting that the attache had sent to a facsimile machine, which has been traced to an apartment in the suburbs of Paris.

The facsimile machine was the only means of communication with Fuan available to the embassy, and now it too has been severed.

Neither Fuan nor the woman whose name is on the Paris apartment door was listed in the Paris telephone directory.

When the fraud was first reported by the Korean media Dec. 15, Fuan was thought to have offices in Paris, Liechtenstein, Hong Kong and Britain. It is now known that these offices closed long ago.

Officials of the embassy and the KEB Paris branch who did business with Fuan are all in Korea, but some people in the Korean community in Paris know him.

In recent telephone conversation with the vernacular CHOSON ILBO, Fuan said he was born in France and that his father was a Korean, but that the name Fuan had Chinese or Vietnamese roots.

There's evidence that he withdrew \$6.7 million from the KEB Paris branch in payment by the Defense Logistics Agency for artillery ammunition and remitted the sum to a bank in Luxembourg, KEB officials said. But Fuan has said his Korean agent, Chu, owner of the Kwangjin Trading Co. in Seoul, withdrew the money and put it in a safe place.

He has also said he and Chu worked for the Korean Government under a special contract, hinting at influential connections in the Korean Government.

This may suggest Fuan is not the principal culprit in the arms scam, but he is likely to remain an enigma unless he comes forward and tells the truth.

### **Paris Tells Seoul Firms in Arms Fraud Not French**

*SK2212092693 Seoul YONHAP in English 0845 GMT  
22 Dec 93*

[Text] Seoul, Dec. 22 (YONHAP)—Paris notified Seoul Wednesday that neither of the two companies connected to the multimillion U.S. dollar arms deal fraud were French companies, backing up its stance that the French Government was in no way involved in the scam.

French Ambassador to South Korea Dominique Perreau personally called on Foreign Minister Han Sung-chu with the first-hand results of his government investigation into the 6.7 million dollar swindle.

South Korea's Defense Logistics Agency signed contracts with two arms dealers using company names EFICO and FEC to buy artillery shells, but the bills of lading turned out fake and the arms were never shipped.

Amb. Perreau told Han that Paris confirmed EFICO is a British firm and FEC a company registered in Liechtenstein.

The artillery shells South Korea contracted to buy are not French-made, he said.

The envoy explained his government has strict rules on manufacturing and trading war equipments and any company or private businessmen dealing with such equipments need government permit.

He said investigations confirmed Paris never issued permits to either of the two companies.

Jean-Rene Fuan, an arms broker allegedly involved in the swindle, is a second generation Korean French citizen but the probe found he has no company established in France, Perreau told Han.



### **Chamber of Commerce Predicts Economic Recovery**

*SK2212082793 Seoul YONHAP in English 0727 GMT 22 Dec 93*

[Text] Seoul, Dec. 22 (YONHAP)—The Korea Chamber of Commerce and Industry [KCCI] forecast Wednesday that the steady economic recovery will continue in the first quarter of next year.

The prediction is based on a survey of 1,767 manufacturers, the global recovery, the Japanese yen's strength, the expansion of facility investment and a lowering of interest rates, KCCI said.

A drop in demand from China, rising prices of foreign raw materials, hikes in public fares early next year and an increase in the special consumption tax will be negative factors, it said.

The Business Survey Index (BSI) for mining and manufacturing is 109 for the first quarter of 1994, with large companies leading small- and medium-sized companies 113-108.

The automobile industry BSI is highest at 136, which KCCI said is because of rising exports to the United States and Europe and soaring sales at home.

Electric and electronics are 128 due to active exports of semiconductors and computers and good domestic sales of home electronic appliances.

Machinery hit 112 owing to expansion of facility investment, demand from developing countries and early beginning of large public projects, including the Seoul-Pusan high-speed railway.

Steel is 113 as domestic consumption is soaring in automobiles, shipbuilding and electronics despite the drop in demand from China.

Petrochemicals are 102 as overproduction will cause price declines in the world market.

Food and beverage are 110 since demand is expected to be strong over the New Year's holidays and due to marketing efforts.

Textiles and shoes will keep steady at 105 and 104, respectively, amid sluggish exports.

Factory operating rates will be 110 in the first quarter. Sales will hit 107 and exports will reach 115. Liquidity will be 80 as the government will adopt an austerity policy and employment will hit 98.

### **Deregulation Said Needed for Private Business**

*SK2312093393 Seoul THE KOREA HERALD in English 23 Dec 93 p 8*

[Text] Deputy Prime Minister and Minister of Economic Planning Chong Chae-sok said yesterday [22 December]

that he will promote deregulation to give the private sector a freer hand in business.

"It is not enough to ease regulations on business activities. We have to remove many of the regulations. Businessmen are complaining that their hands are tied (by the regulations)," Chong said at a news conference.

An economy needs deregulation for private businesses when it is maturing, he said, adding that Germany emerged as an economic power house after former Chancellor Ludwig Erhard lifted many of the administrative controls.

Businesses will be encouraged to invest as much as possible in infrastructure, including traffic facilities, he said.

"Taxes are not sufficient enough for infrastructure construction," he said. "Why should the government build all terminals at the international airport on Yongjong Island, a bridge linking the island, the mainland and an expressway (from the airport to Seoul)?"

He said the government plans to send a bill on private investment in infrastructure to the National Assembly for approval next year.

The government will also remove its price controls on industrial products and public service charges, he said.

He said, "The government should not push down the prices of industrial products and public service charges artificially. Cost increases must be reflected in prices. Realistic prices are the basis from which to promote competitiveness in the world market."

The government, he said, will resolve the problem of restricting farmland ownership in order to boost farmers' assets.

He said he will help new Minister of Agriculture, Forestry and Fisheries Kim Yang-pae formulate support policies for farmers, who will suffer most from the opening of the domestic agricultural market.

At a separate news conference, Kim said the government will help increase farmers' income and improve education and medical services in rural areas.

"We need to review problems concerning agriculture, farmers and farming villages," he said.

### **KCCI Conducts Survey of 'About 1,800' Firms**

*SK2312082993 Seoul THE KOREA HERALD in English 23 Dec 93 p 8*

[Text] The Korean economy, led by a growth in exports, will continue to recover in the first quarter of next year, the Korea Chamber of Commerce and Industry (KCCI) predicted.

The KCCI based the forecast on a survey of about 1,800 companies across the country. The Business Survey



Index (BSI) for the January-March 1994 period is measured at 109. A BSI reading over 100 means that the economy is on the road to recovery.

Large-sized business companies showed a more optimistic view on economic recovery than small- and medium-sized firms. The BSI reading stands at 113 for large-sized firms and 108 for small- and medium-sized companies.

Exports will grow considerably helped by the strength of the yen against the Korean won and amid general signs of a global economic recovery, according to the survey. The BSI for exports stands at 115 in the first quarter of next year compared to 100 in the last quarter of this year.

The BSI for production is 111 in the cited period, indicating that production will expand moderately due to only a slight increase in domestic demand and the rise in exports.

Only a slight growth in domestic sales by Korean firms is predicted (a BSI reading of 107) due to competition from foreign firms in the domestic markets, and a slowdown in consumption.

Investment in facilities (a BSI of 112) is expected to grow moderately on anticipation that the Korean economy will be on the right track and a downward trend in market interest rates.

In the meantime, the car industry will experience the fastest growth with a BSI of 136, thanks to a recovery in exports to the United States and Europe and a sharp increase in exports to the developing nations, the survey showed.

The electronics sector will follow with a BSI of 128, aided by a rise in exports of semiconductor products and computers.

The steel industry (a BSI of 113) is expected to experience growth helped by an increase in domestic demand from auto, shipbuilding and the electronics industries.

The textile (a BSI of 105) and petrochemical (a BSI of 102) industries are forecast to remain weak.

#### **Ministry Plans Development of Farming Villages**

*SK2312021593 Seoul YONHAP in English 0101 GMT 23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—The government is studying a plan to develop small- and medium-sized cities and the farm villages near them into viable economic areas to help farmers cope with the difficulties caused by farm market opening, according to the Construction Ministry.

It will create combined urban-rural industry areas with local characteristics or specialties, such as farm produce processing, garden city tourism or other industries, to make jobs for farmers who would otherwise leave their villages after market opening.

Candidate areas for development include Chongju and Kimje in North Cholla Province, Andong in North Kyongsang Province and Miryang in South Kyongsang Province, ministry officials said.

The ministry will finalize the plan next year so that development projects can start in 1995.

#### **Hyundai Company Wins Kuwaiti, SRV Contracts**

*SK2312123493 Seoul YONHAP in English 1047 GMT 23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—Hyundai Construction Co. has won a 420-million-dollar contract in Kuwait to build a thermo-power plant there, the company reported on Thursday.

The report said that under the contract, Hyundai will build a thermo-power plant capable of putting out 2,400mw electricity near Sabiyah, about 100km north of Kuwait City.

The contract was awarded by the Kuwait Hydro and Electric Authority and ground will be broken next year for completion in 1999, it said.

Hyundai Construction also said work began on Dec. 21 to lay a seabed gas pipeline in Vietnam in a contract jointly won by itself, Hyundai Heavy Industries Co. and Hyundai Corp.

The 60-million-dollar contract calls for laying a pipeline to haul natural gas produced at the White Tiger Seabed Oil Well 100km off Vung Tau south of Ho Chi Minh City.

The project is set for completion in September next year, the company said.

#### **Korean Exports to Japan Expected To Increase**

*SK2312073993 Seoul THE KOREA HERALD in English 23 Dec 93 p 8*

[Text] The continuing strength of the Japanese yen is making Japanese shipbuilders and heavy machinery manufacturers look for Korean parts and facility suppliers, officials at the Korea Trade Promotion Corp. (KOTRA) said yesterday.

Japanese purchases of Korean-made machinery parts has been limited to a few areas including semiconductors.

Along with heavy industrial products, Korean exports of such light manufacturing goods as clothing and footwear are expected to increase as Japan has recently decided to lower its tariffs by 33 percent on average for five years on 13 out of the 16 items Korea had requested tariff reductions for.

According to the KOTRA officials, Ishikawajima-Harima Heavy Industries of Japan is studying ways to



order a mill stand from Korea and has opened negotiations with Samsung Heavy Industries.

Mitsubishi Heavy Industries has already placed a \$6.5 million order with Hyundai Precision and Industry for part of a continuous casting process (CCP) plant.

According to a Hyundai official, the firm has already received an order from Hitachi September this year for the same facilities.

Orders continue to come from Japanese industrial machinery producers, brightening the business prospects for next year, the official said.

Japanese shipbuilders are also increasingly relying on Korean parts suppliers.

Oriental Precision and Engineering Co., a manufacturer of shipbuilding materials in Pusan, said that orders are flooding in from Japan's Big Five shipbuilders, including Mitsubishi, Mitsui and Kawasaki.

Demand is shifting from such light materials as life boat davits and winches to core equipment including funnels, deck machinery and accommodation blocks, according to company officials.

In addition to these heavy goods, Japanese firms are seeking to import lighter goods including aluminum cans. Kirin Brewery Co., Japan's biggest beer producer, has decided to import beer cans and is testing the quality of Korean and Chinese products, according to the KOTRA officials.

Japanese firms engaged in relatively high-tech fields, the officials said, show a high preference for Korean-made parts and equipment.

In the electronics industry, Japanese firms are increasing their reliance on Korean semiconductors and other products while at the same time strengthening technological and investment ties with Korean suppliers, the officials said.

Korea's share of the Japanese chemical products, travel bags, leather goods, clothing and footwear markets will also increase in the years to come as Japanese tariffs come down.

The 13 items for which Japan will reduce tariffs are included in its tariff concession schedule presented to the recently ended Uruguay Round of trade talks.



**Brunei, Malaysia & Singapore****Singapore****Monetary Authority Freezes Libyan Assets**

*BK2212130793 Singapore BUSINESS TIMES in English 22 Dec 93 p 2*

[Text] Singapore has ordered the freezing of all Libyan assets here in line with the United Nations sanctions against the North African country.

The Monetary Authority of Singapore [MAS] has issued the order to all banks and merchant banks doing business here and forbidden loans to and other transactions with Libya, which is headed by Colonel Mu'ammar al-Qadhafi.

A circular issued by the MAS says: "No asset which is in the possession of or control of any bank, or indirectly through any of its nominee company or otherwise, in which any Libyan entity has any interest of any nature whatsoever shall be transferred, paid, exported, withdrawn or otherwise dealt in except with the Authority's approval and subject to any condition or direction as may be imposed by the Authority."

The circular goes on to say: "No bank shall in any way, direct or indirectly, extend credit facilities to, or permit draw-downs or performance of existing credit facilities, to any Libyan entity except with the Authority's approval."

Banks should also not "effect or complete any transaction whether contractual or otherwise" except with the Authority's permission.

The measures are expected to have little impact as Libya's commercial dealings with Singapore are minimal. Total trade between the two nations last year was less than \$45 million [Singapore currency], with exports from Singapore accounting for \$35.5 million.

Libya has been under UN sanctions since April last year when it failed to hand over for trial in Britain or the U.S. two men wanted in connection with the bombing of Pan Am Flight 103 which killed 270 people.

While sanctions have been crafted to avoid shutting down Libya's lifeline, its oil industry, the country says its economy has been seriously damaged. Unemployment is rising and major construction works have been postponed.

Singapore has also sanctions in force against Haiti. These include an oil and arms embargo and freeze on assets belonging to Haiti's ruling military elite.

Anyone found guilty of violating the ban is liable to a year's jail and/or a fine of not more than \$10,000 or three times the value of the goods, whichever is greater.

Similar sanctions have been previously applied to Iraq and Vietnam.

**Chinese Airline Plans Service to Chengdu**

*BK2312095793 Singapore THE STRAITS TIMES in English 22 Dec 93 p 26*

[Text] A fifth Chinese carrier will start flying to Singapore from January, a sign of the increasing number of air travellers from China to the Republic.

Confirming this, the Civil Aviation Authority of Singapore said that China Southwest Airlines would fly to Singapore from Chengdu, the capital of Sichuan province in south China, twice a week.

Chengdu is a commercial city with tourist attractions nearby. The city is serviced by China Southwest, the Chengdu-based regional carrier.

The four other Chinese carriers flying to Singapore are Air China, Yunnan Airlines, China Southern Airlines and China Eastern Airlines.

Singapore Airlines and its subsidiary, the regional carrier Silkair, also fly to the Chinese mainland.

From next month, these seven carriers will operate a total of more than 40 services between the two countries.

Agents told The Straits Times that a dramatic jump in tourists and businessmen travelling out of China was the main reason for the increase in air passengers and services.

In the first 10 months of this year, 200,859 Chinese visitors arrived in Singapore, up 225 percent from the same period last year. In some months, growth almost reached 500 percent. Last year, the number grew by 120 percent to reach 92,930.

China, following its opening up, has been the "star performer" in Singapore's tourism industry. Chinese tourists, eager for a taste of travel overseas, are said to be queueing up to come out and visit Singapore.

Singaporean businessmen, lured by opportunities on the mainland, are also going to China and, while there, combining business with a holiday.

Mr Chan Khar Heng, the general manager of Chan Brothers, the key wholesale agent for China Southwest, said buoyant growth in travel between Singapore and key Chinese cities was recorded in the first nine months of this year compared with the same period last year.

Traffic between Singapore and Shanghai grew by 260 percent while that between the Republic and Beijing more than doubled. Growth between Singapore and Xiamen was up by 80 percent, and between Singapore and Canton by 30 percent.



Mr Chan said: "So far, there has been explosive growth in the Chinese cities near the coast but the focus is now slowly shifting inland to cities such as Chengdu.

"The cost of labour in the coastal cities is increasing compared with places such as Chengdu," he said.

He added that the China Southwest flights would be targeted at both the business and tourist markets.

Sichuan is known for its natural beauty spots, such as the Three Gorges. It is also home to the giant pandas. Chengdu is China's fourth busiest air hub and a gateway to nearby provinces.

### Cambodia

#### KRAF Attacks Khmer Rouge in Siem Reap

*BK2312085993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 23 Dec 93*

[Text] Clashes have occurred over the last two or three days between the Khmer Rouge rebels and the Khmer Royal Armed Forces [KRAF] near the Siem Reap provincial township. According to Siem Reap Province's unified military command, these engagements were KRAF attacks, launched to repulse Khmer Rouge troops that had infiltrated the vicinity of the provincial town in an attempt to attack and capture it.

Commenting on this attempt by the Khmer Rouge, Major Aom Sivutthiya, head of the unified command's intelligence unit, said: The Khmer Rouge rebels plan to attack and seize the Siem Reap provincial town during the dry season. First, they plan to attack and capture the middle defensive perimeter, consisting of the region between Varin and Samraong Districts. Then they will attack Kulen District, where they have already begun some activities. Afterward, the enemy soldiers will launch attacks to put pressure on Svay Leu and Srei Snam Districts, Route 68, and the area between Chong Kal and Samraong Districts. They will use these areas as bridgeheads to attack and capture Lveng Russei at the border between Chikreng District in Siem Reap Province and Stoung District in Kompong Thom Province. This is an important pass they can use to ship troops from the upper part of the country to carry out activities in the lower part; that is, the Tonle Sap lake area.

For their final move, the Khmer Rouge plan to launch an onslaught against the Angkor Wat area and seize Angkor Wat Temple as a springboard to attack and completely capture the province.

Aom Sivutthiya further said: Although the Khmer Rouge have broadcast their intention to attack and seize the Siem Reap provincial town, we are not surprised at all. We encountered this kind of raid in May, and they were not able to occupy the provincial town.

The KRAF has recently launched a campaign on the eastern battlefield. This includes Chikreng, Sot Nikom, and Svay Leu Districts and the Tang Nhang, Khvav, and Kambao Sar areas, which were previously controlled by the Khmer Rouge.

### Indonesia

#### Suharto Sees Romanian, Lao, Bruneian Envoys

*BK2312082393 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 23 Dec 93*

[Text] President Suharto received (Santo Dumitru) and Lin Soukhhavilai, ambassadors extraordinary and plenipotentiary of Romania and Laos to Indonesia respectively, at Merdeka Palace in Jakarta this morning. In a speech, President Suharto said the end of the East-West tension had opened the doors to world peace, security, and disarmament. In addition, disputes and misunderstanding are being replaced by negotiations and mutual understanding respectively and conflicts are being overcome through dialogue. He reiterated that Indonesia as chairman of the Nonaligned Movement has called for the revival of constructive North-South dialogue and attached importance to mutually advantageous South-South cooperation. The head of state believed that it is time to exploit the resources that have been used for the arms race to combat poverty, disease, backwardness, indifference to the environment, which are the common enemies of mankind.

President Suharto informed the new Romanian ambassador of the need for bilateral dialogue at all levels to benefit the two nations.

Receiving the new Lao ambassador, President Suharto expressed his joy over the continued development of friendship between the two nations. Indonesian-Lao cooperation continues to develop strongly at the bilateral level as well as at international forums. Enhanced ASEAN-Lao relations has culminated in Laos being admitted as a party to the Southeast Asian Treaty of Amity and Cooperation.

President Suharto also received the credentials of new Bruneian Ambassador Momin bin Pengiran Othman.

### Laos

#### Deputy Ministers Affirm Better Ties at Talks

*BK2312023793 Bangkok THE NATION in English 23 Dec 93 p A4*

[Text] Vientiane—THE Thai-Laos Joint Boundary Committee began its fourth special-meeting here yesterday with a positive note from both Deputy Foreign Minister Surin Phitsuwan and his counterpart, Vice Foreign Minister Souban Salitthilat.



The two chiefs, who co-chair the committee, agreed that relations were very good and that there had been tremendous progress.

"There is an effort from both sides to strengthen the social, economic and political relations and cooperation in investment and technology know-how. The joint effort has been fruitful, as can be especially seen from progress made in the construction of Luang Prabang airport and the Thai-Laos friendship bridge across the Mekong river which is now in its final stage," said Surin.

More significant were the detailed preparations for His Majesty the King to preside over the opening ceremony of the bridge with President Nouthak Phoumsavan. The King, who has not travelled abroad in 30 years, will also visit Laos at Vientiane's invitation.

Surin said he believed the boundary committee would be able to settle a long-standing boundary conflict in the area of Chatrakarn district in Phitsanulok province and Boten in Sayaboury.

"The Thai-Laos Joint Boundary Committee has narrowed down the problem to focus only on the technical issue in order to reduce any doubts and misunderstandings that may arise," he said.

Surin said the joint technical team had made a fourth survey of the disputed border area to collect further data.

"The joint committee may then proceed with legal action in compliance with the Siam-French Treaty dated March 23, 1907, and the map concerned. This is in accordance with the two countries' agreement on Dec 29 1988," he said.

#### **Committee Meets on Disputed Thai Border**

*BK2312073993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 23 Dec 93*

[Text] Yesterday, Souban Salitthilat, deputy minister of foreign affairs and chairman of the Lao-Thai Joint Border Committee, and a delegation of the Lao-Thai border Technical Subcommittee, held a consultative meeting at the Lan Xang hotel in Vientiane capital. He met with Thai Deputy Foreign Minister Surin Phitsuwon, who is also chairman of the Thai-Lao Joint Border Committee, and a delegation of the Thai-Lao Border Technical Subcommittee. At the meeting, the two sides heard a report on the inspection of border areas connecting Boten District of Laos' Sayaboury Province and Chat Trakan District of Thailand's Phitsanulok Province. This is the fourth jointly-conducted inspection by Lao and Thai border technical subcommittees. It was made between 28 and 30 July 1993.

The subcommittees of the two sides jointly inspected the actual border area connecting Na Banoi Canton in Boten District, Sayaboury Province, of Laos and Bothat precinct in Chat Trakan District, Phitsanulok Province, of Thailand. The inspection was conducted at two points: one, the adjoining area of Nam Heuang River which

both sides have claimed and two, an area at the sources of Nam Heuang River claimed by the Lao side. Due to the unfavorable weather, the subcommittees could not complete the inspection at all the points as planned. The two sides then agreed to jointly reconduct the surveys on the actual disputed areas to collect detailed information. The information is for the Lao-Thai and Thai-Lao border technical subcommittees to use when considering the issues in legal terms at their next meeting.

The subcommittees of the two sides also assessed the results of the surveys and continued to study additional information to seek possible ways and means to solve the problem in the next stage.

The Thai-Lao Joint Border Committee delegation arrived in Vientiane on the morning of the same day. It is scheduled to stay in Laos for three days. During the stay, it is scheduled to visit a number of economic and cultural establishments in Luang Prabang Province and Vientiane municipality.

#### **Refugees Voluntarily Return From Thailand**

*BK2312100093 Vientiane KPL in English 0839 GMT 23 Dec 93*

[Text] Vientiane, Dec 23 (KPL)—The Lao authority, on December 21, received 240 Lao refugees, the last group of the voluntary returnees for 1993, from the Thai authority. The handing-over ceremony was performed at the office of Hatsaifong's administration, Vientiane Prefecture, in the presence of Mr. Mirza Hussain Khan, resident representative of the UNHCR [United Nations High Commissioner for Refugees], Vientiane.

The returnees were mostly from Sayaboury Province. In 1993, there were 26 groups made up of 3,680 refugees who voluntarily returned home. Yet, there still remain 35,000 Lao refugees who are expected to return home.

### **Philippines**

#### **CPP Announces Holiday Cease-Fires**

*BK2312110593 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 23 Dec 93*

[Text] The Communist Party of the Philippines [CPP], New People's Army, and other allied organizations of the National Democratic Front [NDF] have declared a cease-fire effective from midnight on 24 December until midnight on 25 December, and from midnight on 31 December until midnight on 1 January 1994. According to Gregorio Rosal, alias Comrade Roger, of the CPP Information Bureau, they will desist from all offensive operations against the Armed Forces of the Philippines and the government on these dates.

Peace talks between the government and the CPP-NDF will be held in Vietnam, although no date has been set for when the talks will start.



### **Ramos: CPP Leader Sabotages Peace**

*BK2312122793 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 23 Dec 93*

[Text] President Fidel Ramos today accused Jose Maria Sison, exiled chairman of the Communist Party of the Philippines [CPP], of sabotaging the peace process by imposing several conditions on the government. During a news conference in Camarines Norte, Ramos criticized Sison's demands, saying they are obstructing the peace process.

Earlier, Sison said that he is ready to accept the government's offer to issue him a six-month passport, as long as the Ramos administration does not bar his request for political asylum in the Netherlands. According to Ramos, the government is not blocking Sison's bid for political asylum.

In a related development, Defense Secretary Renato De Villa said that the New People's Army force has been reduced this year from 12,000 to only 8,000.

### **Communist Leader Sison Accepts Passport Offer**

*BK2312050693 Quezon City Radio Filipinas in English 0230 GMT 23 Dec 93*

[Text] Communist leader Jose Maria Sison has changed his mind and accepted the government offer to give him a Philippine passport with six months validity. This will enable Sison to attend the second round of talks between the government and the National Democratic Front tentatively set in Vietnam. In a statement issued, Sison said he has two options to be able to go to Vietnam without prejudice to his application for political asylum in the Netherlands.

### **Ex-CPP Leader Blames Army for 'Intervention'**

*BK2312031793 Manila PHILIPPINE DAILY INQUIRER in English 21 Dec 93 pp 1, 10*

[By Bobby Timonera and Dario Agnote]

[Text] A former ranking leftist leader yesterday accused the military of "undue intervention, sowing intrigues and adding terror" to the internal conflict rocking the Communist Party of the Philippines (CPP).

In Malacanang, President Ramos said the conflict is delaying the start of the peace talks between the government and the CPP leadership.

Ricardo Reyes, believed to be CPP secretary general at the time of his arrest early last year, made the accusation in reaction to a military intelligence report that said the faction led by Netherlands-based communist leader Jose Maria Sison has handed down an order to execute 20 to 50 breakaway leaders.

The "confidential" report further said that one of the leaders, Metro Manila CPP chief Filemon Lagman, has formed his own armed group to do battle against the Sison faction.

"The opposition (in the CPP) is not gearing for an armed fight," Reyes told the INQUIRER. "On the contrary, we are insisting on a peaceful resolution of the internal problem, using arguments."

Ideological questions on strategy and tactics have caused serious rifts within the CPP and its allied organizations, polarizing members between those loyal to Sison and those affiliated with Reyes, former New People's Army chief Romulo Kintanar, Filemon Lagman alias Carlos Forte of the Manila-Rizal Regional Committee (MRRC), and others.

Reyes, who had been named in the military report as among the four top leaders in Sison's supposed hit list, expressed fear that the military may do violence against any of the factions and lay blame on the other side.

He said, however, that Sison had "(paved) the condition" for the military to intervene.

Last week, local communist leaders loyal to Sison announced that Reyes, Lagman, Kintanar, and CPP-Visayas head Arturo Tabara alias Victor del Mar will be tried in "people's courts" for anti-party offenses.

Reyes earlier said that the announcement made by NPA [New People's Army] spokesman Gregorio "Ka [comrade] Roger" Rosal would likely lead to executions.

During a weekly news conference in Malacanang, the president said it is now up to the National Democratic Front (NDF)—the CPP's political arm tapped to conduct peace negotiations with the government—to respond.

"The ball is now in their court to respond to our (offer) of a passport... for Mr. Chairman Jose Maria Sison," Mr. Ramos said.

"I think there is (an) internal struggle taking place among (the CPP leadership), which we hope will be resolved so that they can all come to the conference table and talk peace with the government," he added.

There are persistent reports that the government plans to talk peace with other communist leaders including Lagman and Tabara, who have openly defied Sison's leadership.

But in an interview with the INQUIRER, Lagman slammed the door on prospective peace talks with the government. "We are not interested..." he said. "Sila na lang [Let them be]."

Rosal, for his part, told the INQUIRER that the government has yet to prove its sincerity to the NDF. He said the government has yet to free around 300 political prisoners.



Asked about the prospects for peace, Rosal said: "Ang tanungin siguro natin ay ang gobyerno ni General Ramos. Sila ang nangangalandakan niyan (Perhaps we should ask General Ramos' government. It's the one that's bandying it around)."

But an insider in the communist underground said the NDF has yet to make up its mind on the peace talks. "Ang totoo niyan eh walang maipadalang tao sa Vietnam (The truth is, there is no one to send to Vietnam)," said the source.

The government and the NDF had agreed on Vietnam as venue for the resumption of exploratory talks.

Over a year has passed since the two camps, meeting in The Hague in the Netherlands, forged a joint declaration binding both sides to seek a peaceful solution to the 25-year communist insurgency.

Until now, Rosal said, the "revolutionary movement" is banking on that declaration.

### **Government, MNLF End Successful Talks**

*BK2312045893 Quezon City Radio Filipinas in English 0230 GMT 23 Dec 93*

[Text] Prospects for lasting peace in Mindanao were bolstered when the government and the Moro National Liberation Front [MNLF] ended a successful second round of peace talks in Jolo, Sulu. This assessment was made by presidential adviser on the peace process, Oscar Santos, this after the government panel led by Ambassador Manuel Yan and the MNLF headed by Nur Misuari agreed in principle to approve, subject to some refinement, the joint interim cease fire agreement covering Mindanao provinces including Palawan. According to Santos, one of the highlights of the meeting was the naming of members by both panels that would serve and assist in the solutions of decades-old conflict in Mindanao.

### **Participants Named**

*BK2312032593 Manila PHILIPPINE DAILY INQUIRER in English 21 Dec 93 pp 1, 10*

[By Rolly San Juan]

[Text] Jolo, Sulu—Peace in Mindanao is near, Moro National Liberation Front (MNLF) leader Nur Misuari said yesterday.

The rebel leader, who came home Sunday from self-exile in Saudi made the optimistic forecast as he said the MNLF was taking part in the peace process with noble and honest intentions.

Misuari was speaking before thousands of followers in Timbangan, Indanan, this province, an hour before the ceremonial resumption of talks between a "mixed committee" of the Philippine Government and MNLF panels.

The talks began at noon at the provincial capitol in Jolo with a ring of security provided by both government and MNLF troops.

No details were immediately available, but officials on both sides were described as "guardedly optimistic."

Former Ambassador Manuel Yan led the government group and Misuari, the MNLF panelists.

Yan conceded that the peace process had a long way to go since crucial issues had to be resolved to the mutual satisfaction of both panels.

But he said he had faith that peace would be attained in the end because of the negotiators' common determination and singleness of purpose.

On hand as observers were representatives of the Ministerial Committee of Six of the Organization of Islamic Conference (OIC) as well as Dr. Hamid P. al-Gabid, OIC secretary general.

The Philippine panel and the observers from OIC left for Manila at 4 P.M. yesterday after the two sides agreed to resume the talks on 28 and 29 December, possibly in Zamboanga City.

Misuari suggested Zamboanga as the next venue reportedly after Representative Maria Clara Lobregat of the city's lone district expressed intentions to meet him.

Before the talks began, Oscar Santos, presidential adviser on the peace process, told reporters, "We have to look at this as a positive development in eventually attaining peace."

In Manila, President Ramos said, "We are confident that very positive results will come out of this meeting."

For the first time in nine years, government and MNLF troops joined hands in security arrangements.

Military and police units handled "inner security" at a one kilometer radius from the provincial capitol.

MNLF troops provided "outer security" 200 meters beyond the outermost Marine checkpoints in Barangays [villages] Taglibi, Bud Datu and Lian, on the boundaries of Jolo and Patikul town.

In his speech at the opening ceremonies, al-Gabid said the OIC fully supported the peace process and would be ready to assist in any manner to help achieve a just and mutually acceptable settlement.

He stressed the need to scrupulously respect the cease fire agreement reached by the two panels in Jakarta.

Al-Gabid also said the five "support committees," formed by the two sides to discuss various areas of concern, must try to reach agreements within the time frame set in Jakarta.



He paid tribute to Indonesian Foreign Minister [title as published] Hasan Wirayuda, head of the OIC Ministerial Committee of Six, for sparing no effort in promoting the peace process.

Misuari told the MNLF crowd in Timbangan that the Front [MNLF] had gained the OIC's support and recognition with al-Gabid's presence in the Moro homeland.

"It is the first time in Sulu's history that a man of al-Gabid's stature had ever set foot on this land," he said.

He told al-Gabid, the Bangsa Moro people "are hungering for peace and are even ready to lay down their lives for the sake of peace and freedom."

We have never seen peace for the last four centuries Misuari said. The people are hungry for peace. The Mindanaoans have been suffering from a series of colonial imperialist aggression for the last several centuries.

Yan, who welcomed the peace talks observers in behalf of President Ramos, said the Jolo meeting is symbolic of that high principle implicit in our understandings and agreements and explicitly stated in the Tripoli Agreement of 1976 as well as in related resolutions of the OIC that we are all governed in our noble efforts by the national sovereignty and territorial integrity of the Republic [of the Philippines].

Misuari arrived Sunday night in his native Maimbung, Sulu by motorboat from Sabah, Malaysia.

Supporters lined the route when he was driven from Indanan to the conference site in the provincial capitol.

The talks which opened in Jakarta in late October are the second stage of negotiations for a peaceful solution to the MNLF's struggle for autonomy.

#### **Ramos Orders CPLA Forces Disarmed, Disbanded**

*BK2312022293 Manila THE MANILA CHRONICLE in English 21 Dec 93 p 2*

[By M. Mogato]

[Text] President Ramos yesterday ordered the Philippine National Police (PNP) to disband the Cordillera People's Liberation Army (CPLA) of former Catholic priest Conrado Balweg and confiscate all their firearms as part of government's continued efforts to break up private armies in the provinces.

In a memorandum to Interior and Local Governments Secretary Rafael Alunan III, the president said the disbandment of the CPLA is part of the government's ongoing campaign against private armies and also to ensure peace and order in the Cordillera Administrative Region (CAR).

The president issued the memorandum after receiving frantic calls from Abra Governor Vicente Valera informing him about the presence of armed CPLA members in his province.

Valera said residents of remote villages in his province have been asking him why the government has allowed CPLA members to carry their firearms and roam in their villages.

The president asked Alunan to verify the presence of armed CPLA members in Abra's remote villages and confiscate their firearms "unless (Balweg's) men have been absorbed by the armed forces or by the police."

Balweg joined the communist New People's Army (NPA) in the early 1980's. After President Marcos was ousted from power however, he broke away from the NPA and organized his own army to fight for an autonomous region in the Cordillera.

### **Thailand**

#### **Suphachai Seeks Fast Action on Trade Issues**

*BK2312025393 Bangkok THE NATION in English 23 Dec 93 p B1*

[Text] Deputy Prime Minister Suphachai Phanitchaphak yesterday said the conclusion of the Uruguay Round of world trade talks last week requires Thailand to immediately tackle several issues to remain competitive in the more open global market.

Speaking at a seminar on GATT held by the Nation Publishing Group, Suphachai said he is certain the next round of multilateral trade talks will start soon, with new topics for negotiation including labour rights and the environment.

The Thai government, he said, needs to modify some laws to cope with tariff reduction and wider market access in several sectors as agreed by GATT. Thailand should also have a clearer vision for its industrial structure, Suphachai said.

He said that the government should state the direction Thai industries should head in the future. The deputy premier, in his capacity as chairman of the National Industry Development Board, is preparing a White Paper to lay out Thailand's possible future industrial direction.

Suphachai said the Thai parliament needs to approve the Anti-Dumping and Countervailing Duty (AD-CVD) Act as soon as possible. It is expected that the 117 GATT members will increasingly depend on AD-CVD regulations for protection.

He also suggested that the ASEAN Six speed up trade liberalization under the framework of the ASEAN Free Trade Area (Afta). While the GATT Uruguay Round



covers both industrial and agricultural goods, Afta is restricted to the liberalization of trade in industrial goods.

By selling his idea that Afta should be for "open regionalism," or a non-restrictive trading bloc, Suphachai said that Australia and New Zealand could also be included in Afta.

Thailand, he said, must complete its tariff restructuring as soon as possible, adding that Bangkok needs to fix its customs valuation procedures, long criticized by exporters.

"Based on GATT agreements, the price used to value merchandise must be based on the price quoted in the merchandise bill, not the price determined by the Customs Department," Suphachai said.

The deputy premier also said that the conclusion of the Uruguay Round did not entirely rule out bilateral trade negotiations between Thailand and its trading partners.

The US earlier announced that its cigarette producers must use no less than 75 per cent locally grown tobacco, and Suphachai said that Thailand "must continue to put pressure on the US on this issue."

Suphachai insisted that Thailand "should do something with the Treaty of Amity" under which Thailand has exclusively granted national treatment to US citizens since 1966, which is against the new GATT agreement.

However, Bangkok secured an exemption from the national treatment clause of GATT for 10 years in regard to the Treaty of Amity it signed with Washington.

Suphachai also said that countries should abolish unilateral action in the global trade arena. Yet, he admitted, "I am not sure unilateral action such as that under US trade law will disappear."

As many domestic industries stand to benefit from the liberalization of world trade resulting from the Uruguay Round's conclusion, Suphachai urged the private sector to step up industrial development ahead of foreign competitors.

Citing the textile industry which, based on the GATT agreement, will be completely liberalized within 10 years, Suphachai said Thai textile exporters should now strategically think how to keep up with Korea and Hong Kong.

Suphachai also touched on the Thai aviation industry which he thinks is "too protective," as well as his plea for the government to upgrade the Office of Coordination of International Economics to a department.

"It has been proved after a year that the office helps coordinate the country's economic policy between numerous government agencies and we could assist our

trade negotiators to work better. Next year, I would like to see this office upgraded to a department," Suphachai said.

### **Envoy Protests Allegations on Ties With KR**

*BK2312022193 Bangkok THE NATION in English  
23 Dec 93 p A3*

[Excerpts] THE Foreign Ministry has sent a protest letter to the NEW YORK TIMES over an article accusing Thailand of maintaining special ties with and assisting the Khmer Rouge [KR].

The article was based on the discovery of a huge weapons cache in Chanthaburi province.

Thai Ambassador to Washington [as published] Nit Phibunsongkram passed on the ministry's protest about an article by correspondent Philip Shenon which appeared in the Dec 19 edition, in a letter to the editor of the newspaper.

"I would like to express my profound disappointment since this misconception (of Thai support for the Khmer Rouge) is unfortunate and very unfair to the Thai government and the Thai Armed Forces," Nit stated in the letter.

Thai authorities, he said, have for more than a decade played a consistent and constructive role in the efforts to restore peace and stability to Cambodia.

He reiterated Thailand's policy of supporting the Cambodian government as the sole and legitimate government of Cambodia, and not the Khmer Rouge. [passage omitted]

Nit rejected the accusations, saying Bangkok's policy was not to interfere in Cambodia. It regards the Khmer Rouge as Cambodia's internal problem and it believes Phnom Penh will be able to solve the problem itself.

Nit said the arms found in Chanthaburi were part of external assistance given in the past to the UN-adopted coalition government of Cambodia before the signing of 1991 Paris Peace Agreement. [passage omitted]

Cambodia has set up an ad hoc committee to solve conflicts between Cambodian vendors and a Thai company over fees for market stalls which recently led to unruly demonstrations, the Foreign Ministry's acting spokesman Rawi Hongraphat said yesterday.

Rawi said the committee comprises officials of the Finance and Commerce Ministries, and representatives from the company and the vendors.

"The demonstration against the Thai Boon Rung company has affected Thailand's image, causing a misunderstanding that Thai businessmen have exploited foreign countries," Rawi said.

Rawi said the committee will help to negotiate the stall fees to see whether it could be reduced the prices.



### **Agricultural Office To Be Set Up in Belgium**

*BK2212082193 Bangkok Radio Thailand Network in English 0000 GMT 22 Dec 93*

[Text] The cabinet yesterday approved the establishment of an office of Thai agricultural counselor in Brussels, Belgium. The proposal for the new office was made by the Ministry of Agriculture and Cooperatives. At the same time, the cabinet approved the recruitment of government offices and temporary local staff to be posted at the new office.

The Ministry of Agriculture and Cooperatives reported that the formation of the office will help in the development of Thai agriculture in line with the global situation. Thailand is in the transition period to be changed from an agricultural country into a newly industrialized nation. Its agricultural production will be geared to exports and international trade. The setting up of the office will benefit Thailand. Belgium is a suitable location for the office, as Thailand and Belgium have closely cooperated in agricultural and economic areas.

## **Vietnam**

### **Assembly Discusses Proposed Economic Tribunal**

*BK2312100393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Dec 93*

[Passages in italics recorded]

[Summary] "Dear friends: This morning, 22 December, the National Assembly continued its plenary session at the Ba Dinh Conference Hall in Hanoi to discuss the draft bill on amending some provisions of the Law on Organization of the People's Court.

"Justice Minister Comrade Nguyen Dinh Loc delivered a compiled report on the ideas of National Assembly deputies regarding the draft bill on amending some provisions of the Law on Organization of the People's Court."

During the morning session, 21 deputies expressed their views on the issue. Most contended that it is time we set up an economic tribunal, especially now that our country has shifted to the market economy. Most deputies held that the economic tribunal should be set up at the provincial and municipal levels as stipulated in the draft. It should be attached to people's courts at the provincial level and the Supreme People's Court at the central level.

On this issue, Dong Nai Province Deputy Le Thi Thu Ba said:

*I totally agree with the government that the economic tribunal should be attached to people's courts at the provincial level. This conforms with the stipulations in the 1992 Constitution that are aimed at building a compact legal system to serve the work of law enforcement.*

Some deputies contended that the economic tribunal should not be attached to people's courts. Binh Dinh Province Deputy Tran Thi Le Thu said:

*I do not object strongly on this issue, but I think that if we had an autonomous economic tribunal to handle all economic conflicts, it would be good for all parties concerned.*

Regarding the function and duty of the economic tribunal, most deputies agreed with the draft stipulations that the tribunal should try all cases of economic conflicts and should be authorized to declare the bankruptcy of business enterprises that are operating at a loss. Concerning the registration of businesses, many deputies held that the economic tribunal should not be charged with this task because it relates to state management. It is therefore more appropriate for a financial or tax agency to assume this task.

Ha Tinh Province Deputy Trinh Hong Duong said:

*It is not proper for the economic tribunal to handle the registration of businesses, because this is purely administrative work. The government should consider this and assign an appropriate agency to handle this.*

Some deputies, however, contended that the economic tribunal should be assigned the task of business registration. They reasoned that this will provide the tribunal with information and data to examine and monitor the activities of business enterprises, allowing it to settle economic conflicts promptly and accurately, if any occur.

"Dear friends, during the afternoon session, having completed their discussion of the draft bill on amending some provisions of the Law on Organization of the People's Court, the National Assembly deputies continued their meeting to discuss the draft Law on Business Bankruptcy."

### **Discusses Draft Bankruptcy Law**

*BK2312150593 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Dec 93*

[Passages within italics recorded]

[Summary] "Dear friends: This morning, 23 December, the National Assembly deputies continued their discussions at the conference hall to contribute more ideas regarding the draft Law on Business Bankruptcy."

This draft law was debated in group discussions during the Ninth National Assembly's third session. There are still differences among deputies on some provisions of the law, however. As a result, this morning the deputies were allowed to discuss the draft law in depth to help perfect it.

Most deputies held that efforts should be made to define clearly the definition of a bankrupt business enterprise,



what agency should be authorized to declare the bankruptcy, the role of trade unions and the interests of the workers at the bankrupt enterprise, the court's authority to settle bankruptcy cases, and so forth.

"One of the most interesting issues raised during this morning's discussion was whether the draft Law on Business Bankruptcy should be passed during this National Assembly session. Most deputies contended that it is time we had a law on business bankruptcy to catch up with the development of the multisector economy, which is being implemented in our country in accordance with the market economy under state management."

Many deputies held that it is necessary to pass the draft law during this National Assembly session.

Deputy Tran Du Lich from Ho Chi Minh City said the majority of deputies from his city agreed that the law should be passed during this National Assembly session, and that it should become effective on 1 October 1994, rather than 1 July 1994 as proposed.

On this issue, Ha Bac Province Deputy Mai Thuc Lan said:

*I think it is time for the National Assembly to pass this draft law so that it can be promulgated. This law will serve as a legal base for us to carry out economic management effectively. It also meets the requirement of both producers and laborers.*

Quang Ninh Province Deputy Nguyen Viet Ho said:

*I think that the National Assembly should pass the Law on Business Bankruptcy quickly. Once the law is promulgated, whether it is tomorrow or next month, we will be able to make decisions and settle issues regarding unnecessary enterprises and those currently operating at a loss.*

Many deputies held, however, that the law should not be passed during this session. They argued that some provisions of the draft law should be amended and that we still do not have enough economic arbitrators and cadres to implement the law effectively.

Afterward, National Assembly Vice Chairman Phung Van Tuu stressed various points of the draft law that need to be amended. He proposed that the drafting committee coordinate with the agencies concerned to perfect the draft law before presenting it to the deputies again for further discussion and expression of views.

#### **Communique on Economic Courts**

*BK2312075593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Dec 93*

[Excerpts] Today, the National Assembly held a plenary session in the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu. [passage omitted]

On behalf of the drafting committee, Minister of Justice Nguyen Dinh Loc presented a report summing up the suggestions of National Assembly deputies at their group discussions and debates in the conference hall on the draft bill on amending or supplementing a number of provisions of the law on organization of the people's courts and on projected preliminary steps to perfect this draft bill.

After the minister of justice was finished, 18 deputies gave their views. [passage omitted] In expressing their views, the deputies unanimously concurred with the need to promulgate the law on amending or supplementing a number of provisions of the law on people's courts, with primary importance being attached to the organization of economic courts, to resolve economic disputes arising from production and business operations in a correct and timely manner. Most of the deputies agreed with organizing the economic courts into special courts under the Supreme People's Court, and the special courts under people's courts in provinces and cities under direct central government management. The deputies focused their views on issues such as the duties, power, and composition of economic courts mentioned in the draft bill.

In the afternoon, on behalf of the drafting committee, Minister Do Quoc Sam, director of the State Planning Commission, presented additional views contributed by the deputies at their group debates on the draft bill on business bankruptcy. [passage omitted]

The National Assembly will continue to meet in the conference hall tomorrow.

#### **Relations Established With South Africa**

*BK2312134793 Hanoi VNA in English 1341 GMT 23 Dec 93*

[Text] Hanoi VNA Dec 23—A joint communique on the establishment of the diplomatic relations at ambassadorial level between Vietnam and South Africa was signed in New York yesterday.

Signatories were Ambassador Le Bang, acting head of the Representation Mission of Vietnam in the United Nations, and Ambassador Vernon R.W. Steward, permanent representative of South Africa in the United Nations.

#### **EC Reintegration Program Assists Returnees**

*BK2312135193 Hanoi VNA in English 1341 GMT 23 Dec 93*

[Text] Hanoi VNA Dec 23—Loans totalling USD [U.S. dollars] 20,771,574 have been granted to voluntary returnees to Vietnam by the EC-International Programme for the Reintegration of Vietnamese Returnees (ECIP), through the Agricultural Bank.



To date, a total of 53,005 people have voluntarily returned from refugee camps in Hong Kong and South East Asian countries to Vietnam.

But 64,425 refugees are still living at various camps in these countries. The number of returnees is expected to reach an average of 2,500 per month from now, Ms. Peel That, coordinator of internal information for ECIP-Vietnam, said at a press conference in HCMC [Ho Chi Minh City] this week.

According to that, the ECIP will fulfil its mission in Vietnam in November 1994.

ECIP is now operational in 21 provinces and cities throughout Vietnam, with 14 representative offices.

Besides granting loans to returnees, ECIP has given financial support to 102 vocational training centres where training is offered in 55 different skills. Returnees are exempt from fees.

So far, 115,000 trainees have attended ECIP-assisted vocational training centres, of which some 19,000 are returnees.

In addition to this ECIP has implemented 117 micro projects with a total value of USD 5.4 million. These projects included construction and upgrading of infrastructures such as bridges, roads, sewers, water and electricity supply systems, or building of schools and medical stations.

ECIP estimated budget from December 1993 to May 1994 is about USD 2,273,000.

#### **Provincial Authorities Assure Free Worship**

*BK2312070993 Hanoi VNA in English 0626 GMT  
23 Dec 93*

[Text] Hanoi VNA Dec. 23.—In Ba Ria-Vung Tau Province there are 173,000 followers on Buddhism, Christianity, Protestantism and Cao Dai, a heterogeneous indigenous religion. The provincial Committee for Solidarity of Catholics has 54 members, and the Provincial Buddhist Council has 23, both elected by their congresses. The provincial authorities have created favourable conditions for followers of various religions to restore old statues and repair their places of worship. The Catholic community has restored a statue of Christ on top of Tau Phung Mount, while the Buddhists have had 10 new statues of Buddha made. Altogether the followers of Catholicism, Buddhism and Cao Dai have had 21 places of worship restored or expanded. The provincial authorities have recognised the ordainment of 8 priests and the transfer of 3 priests by Bishop Nguyen Minh Nhat of Xuan Loc Diocese. The provincial authorities have also ensured the right of followers of all religions to hold rituals at home and public places of worship.

All religious sects have been active in providing humanitarian assistance to the families of war dead, invalids and needy people, and encouraging the youth to do their military service.



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